COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2019

Prepared by:

Business Services Department

City of Mansfield, Texas
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2019

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION (unaudited)

Letter of Transmittal 3
GFOA Certificate of Achievement 8
Organizational Chart 9
Principal Officers 10

FINANCIAL SECTION

Independent Auditors' Report 11
Management's Discussion and Analysis (unaudited) 14
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Position 28
Statement of Activities 29
Fund Financial Statements:
Balance Sheet – Governmental Funds 30
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 32
Statement of Net Position – Proprietary Funds 33
Statement of Revenues, Expenses, and Changes in Net Position– Proprietary Funds 34
Statement of Cash Flows – Proprietary Funds 35
Statement of Fiduciary Net Position – Fiduciary Funds 36
Notes to Financial Statements 37
Required Supplementary Information (unaudited):
Schedule of Changes in Net Pension Liability and Related Ratios… 88
Schedule of Contributions Net Pension Liability 89
Schedule of Changes in Total OPEB - SDBF Liability and Related Ratios ..... .91
Schedule of Contributions Total OPEB - SDBF Liability 91
Schedule of Changes in Net OPEB Liability and Related Ratios 94
Schedule of Contributions Net OPEB Liability 95
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 97
Notes to Required Supplementary Information – General Fund 98
Supplementary Information –Non-major Governmental Funds 99
Combining Balance Sheet – Non-major Governmental Funds 100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds 101
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:
Debt Service Fund 102
Mansfield Parks Facilities Development Corporation Debt Service Fund 103
Statement of Changes in Assets and Liabilities Agency Funds 104

Capital Assets Used in the Operation of Governmental Funds:
Comparative Schedules By Source 105
Schedule by Function and Activity 106
Schedule of Changes by Function and Activity. 107
Balance Sheet – Mansfield Economic Development Corporation 109
Statement of Revenues, Expenditures, and Changes in Fund Balances Mansfield Economic Development Corporation. 110
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Mansfield Economic Development Corporation to the Statement of Activities 111

STATISTICAL SECTION (unaudited)

Net Position by Component 113
Changes in Net Position of Governmental and Business-Type Activities 114
Governmental Activities Tax Revenue by Source 116
Fund Balances of Governmental Funds 117
Changes in Fund Balances of Governmental Funds 118
Assessed Value and Estimated Actual Value of Taxable Property 120
Property Tax Rates – Direct and Overlapping Governments 121
Principal Property Taxpayers 122
Property Tax Levies and Collections 123
Ratio of Outstanding Debt by Type 124
Ratios of General Bonded Debt Outstanding 125
Direct and Overlapping Governmental Activities Debt 126
Legal Debt Margin Information 127
Pledged-Revenue Coverage 128
Demographic and Economic Statistics 129
Principal Employers 130
Full-Time Equivalent City Government Employees by Function 131
Operating Indicators by Function 132

1200 E. Broad Street
Mansfield, Texas 76063
817-276-4200

February 6, 2020

To the Honorable Mayor,
Members of City Council, and
Citizens of the City of Mansfield, Texas

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Mansfield, Texas (the City) for the fiscal year ended September 30, 2019.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by KPMG, LLP, a firm of licensed certified public accountants. The purpose of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2019 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated in 1890, is located in the southeastern portion of Tarrant County, with small areas of the City extending into Johnson and Ellis counties, and is considered to be one of the top growth areas in the Dallas/Fort Worth Metropolitan Area (Metroplex). The City currently occupies a land area of 36.69 square miles and serves an approximate population of 73,410. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City is a home rule-city and operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a nonpartisan, at-large basis. Council members serve three-year staggered terms so that at least two members are elected every year. The Mayor and each Council member, unless sooner removed under the provisions of the City Charter, hold office until a qualified successor is elected. Regular terms of office commence at the beginning of the first regular meeting of the Council in May or following the final election as provided in Section 4.05 (Charter Amendment of August 11, 1979).

This report includes all funds of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, traffic engineering, and infrastructure; planning and zoning; general administrative services; water treatment and distribution; sewer service; drainage enhancements and improvements; and recreational and cultural activities. In addition to general government activities, the Mansfield Park Facilities Development Corporation and the Mansfield Economic Development Corporation are required to be included in the City's reporting entity. For additional information, see note I.A. of the notes to financial statements.

The annual budget serves as the foundation for the City's financial planning, financial policies, and financial control. All agencies of the City are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review prior to September 1. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 15. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). However, the statutory authority or legal level of control for the authority of annual expenditures is appropriated at the fund level by the City Council. Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the governing council, if requested by the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 97 as part of the required supplementary information. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules section, which starts on page 102.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The City currently enjoys a favorable economic environment and local indicators point to continued stability even though the national economy has been recovering from the great economic recession over the past several years. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. The current unemployment rate is well below the national average.

Industry

Mansfield has a large industrial area within the City with rail service and adequate water storage to meet fire protection and other demands. The City is not financially dependent upon any one industry or type of industry. See page 122 in the Statistical Section for further information on principal taxpayers. The City recognizes the value of industry to its economic base and continues to seek industry that will be beneficial to the City. Beginning in fiscal year (FY) 1997, the Mansfield Economic Development Corporation, funded by a 1/2 cent sales tax, provides funds for economic development, including financial incentives, infrastructure needs, and tax relief through the City in the recruitment and retention of industry. Recent accomplishments in locating and expanding major businesses such as AMC warehouse, Mouser Electronics and Hoffman Cabinets are indicative of the accomplishments of the economic development program.

Transportation

The City is traversed east and west by U.S. Highway 287, and north and south by State Highway 360. The City has direct access to Interstate Highway 20 and Interstate Highway 30. Railroad freight service is provided by Union Pacific Railroad. The City is located approximately 30 miles south of the Dallas/Fort Worth International Airport.

Education

The City is served by the Mansfield Independent School District. The City has five high schools (Grades 9 to 12), one high school (Grades 11-12), six middle schools (Grades 7 and 8), six intermediate schools (Grades 5 and 6), and 23 elementary schools (Grades K - 4). Enrollment for the 2018/2019 school year was approximately 35,256. The District maintains a pupil–teacher ratio of 22:1 for elementary, a 27:1 ratio for intermediate, and a 28:1 for secondary education and career tech center. Colleges within close proximity to the City are Tarrant and Dallas County Junior Colleges, Southern Methodist University, Dallas Baptist University, University of Dallas, University of North Texas, Texas Women's University, University of Texas at Dallas, University of Texas at Arlington, and Texas Christian University, all of which are well known for their educational standards.

Medical Services

Full service medical service is provided by Methodist Health System, and limited-service care is provided by Vencor Hospital and Cook Children's Clinic. Other full-service hospitals in the immediate area include Medical Center of Arlington, Arlington Memorial Hospital, Hughley Memorial Medical Center, Harris Methodist Hospital, Cook Children's, and John Peter Smith Hospital.

Area Economic Condition

Mansfield, located in the Dallas/Fort Worth Metroplex, and included as one of the 13 cities that comprise the Mid-Cities, continues to grow and develop. The overall outlook for Mansfield in the future is positive. The City is traversed by State Highway 360 and U.S. Highway 287.

The major benefits to the City of State Highway 360 are as follows: direct north and south access to the Dallas/Fort Worth International Airport in 20 minutes; the potential of expanding the City's commercial/industrial and residential developments along the corridor of State Highway 360, as well as the numerous industrial parks located within the close proximity of State Highway 360 and U.S. Highway 287 intersection.

Over the past several years, the City and the local economy have experienced increasing property values and sales tax revenues. Current real estate values are trending upward, and the City is continuing to experience positive growth in residential, industrial, and commercial properties.

Long-Term Financial Planning

The City of Mansfield, Texas has a long-term financial plan that includes ten years of projected financial data. The plan is intended to guide management in the daily decisions of managing the City's business matters and long-term capital projects. The plan assembles the visions of City Council, Management and City Staff, into a working plan that allows the vision of the City to be implemented over the course of time. The plan includes variables that allow for current and projected economic factors including:

- Review population growth projections
- Identify potential high-growth areas
- Specify major infrastructure improvements
- Analyze the financial impact of the improvements
- Comprehensive planning documents, Land Use Plan, Thoroughfare Plan, Water & Sewer master plan

The Council adopted the plan in November 2000, and it has been revised, modified, and amended since the original adoption of the plan.

Awards and Acknowledgments

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the 32nd consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2018. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Clayton W. Chandler
City Manager

Peter K. Phillis, CPA
Deputy City Manager

Bryan Rebel
Chief Accountant

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mansfield

Texas

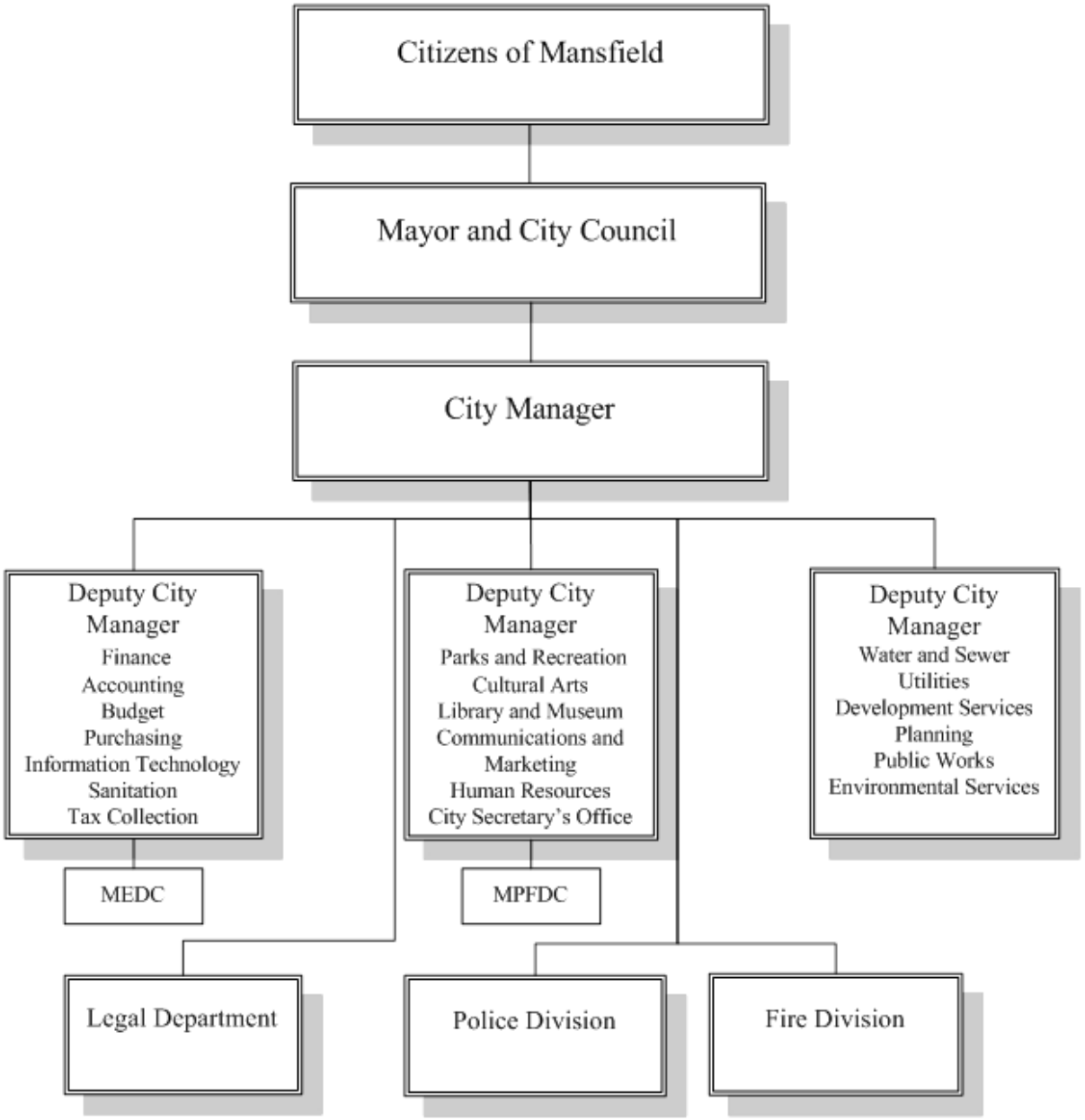
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

City of Mansfield, Texas Organizational Chart



CITY OF MANSFIELD, TEXAS

PRINCIPAL OFFICERS

SEPTEMBER 30, 2019

MAYOR

David Cook

MAYOR PRO TEM

Julie Short

CITY COUNCIL

Mike Leyman
Casey Lewis
Brent Newsom
Terry Moore
Larry Broseh

CITY MANAGER

Clayton W. Chandler

DEPUTY CITY MANAGER

Peter K. Phillis, CPA

CHIEF ACCOUNTANT

Bryan Rebel

KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2721

Independent Auditors' Report

The Honorable Mayor and Members of the City Council
City of Mansfield, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mansfield, Texas (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mansfield, Texas, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP is a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, combining and individual nonmajor fund financial statements and schedules, capital assets used in the operation of governmental funds schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and capital assets used in the operation of governmental funds schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and capital assets used in the operation of governmental funds schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KPMG LLP

Dallas, Texas
February 6, 2020

MANSFIELD
TEXAS

Management's Discussion and Analysis

As management of the City of Mansfield, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The City's net position or assets and deferred outflows less its liabilities and deferred inflows at the close of the City's fiscal year is approximately $465 million.

- The City recognized approximately $155 million in revenue from various sources of taxes, services, and capital contributions and recognized approximately $138 million in expenses in servicing the City's governmental and business enterprises.

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of approximately $58 million. Approximately 29% of this $58 million is available for spending at the City's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the general fund was approximately $17 million or 28% of total general fund expenditures.

- The City's total debt obligations decreased by $3.41 million (1.42%) during the current fiscal year. This is from approximately $13.8 million in new bond proceeds offset by $17.2 million in scheduled principal payments and payments to escrow agents during the year. The key factors affecting the City's debt position are as follows:

  Certificates of Obligation of $7.488 million for the purpose of street improvements and other public purposes.

  Certificates of Obligation of $1.300 million for the purpose of designing a fire station

  Certificates of Obligation of $.955 million for the purpose of downtown improvements.

  Certificates of Obligation of $.507 million for the purpose of restoring a historical building.

  Certificates of Obligation of $3.500 million for the purpose of land acquisition for parks.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on the City's assets and deferred outflows of resources less liabilities and deferred inflows of resources as the City's net financial position, or remaining net

position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include a Water and Sewer Fund, Law Enforcement Center Fund, and Drainage Utility Fund.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Mansfield Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Mansfield Parks Facilities Development Corporation, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government. The City has two Tax Increment Financing Reinvestment Zones (TIRZs), both legally separate entities, which are geographically defined regions within the City limits established by the City. The purpose of the reinvestment zone is to pay for the public's infrastructure to be owned by the City within the region. The TIRZs are an integral part of the primary government. The City has a public improvement district - South Pointe Public Improvement District. The City established the public improvement district for the purpose of maintaining public improvements on approximately 873 acres in the TIRZ number one area. An annual assessment will fund the public improvement district.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the street construction fund, the building construction fund, and the TIRZ Fund Number 1, all of which are considered to be major funds. Data from the other 8 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

Proprietary Funds

The City maintains three different proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Law Enforcement Center Fund, and Drainage Utility Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, the Law Enforcement Center Fund, and the Drainage Utility Fund, all of which are considered to be major funds of the City.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The City adopts an annual appropriated budget for its general fund and both debt service funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by $464,944,777 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (90.24%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of

related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other	$ 69,936,605	$ 69,318,983	$ 52,476,271	$ 48,975,014	$ 122,412,876	$ 118,293,997
Capital	434,803,657	424,290,267	202,839,592	198,684,457	637,643,249	622,974,724
Total assets	504,740,262	493,609,250	255,315,863	247,659,471	760,056,125	741,268,721
Deferred outflows:	20,231,266	9,498,826	7,282,378	5,373,449	27,513,644	14,872,275
Liabilities:						
Long-Term	248,227,826	227,281,180	60,201,546	62,733,505	308,429,372	290,014,685
Other	7,630,988	7,721,895	4,019,120	3,588,917	11,650,108	11,310,812
Total liabilities	255,858,814	235,003,075	64,220,666	66,322,422	320,079,480	301,325,497
Deferred inflows:	2,225,824	5,308,215	319,688	1,394,013	2,545,512	6,702,228
Net investment in capital assets	255,292,846	247,101,905	164,254,085	155,722,327	419,546,931	402,824,232
Restricted	37,150,376	36,285,740	13,689,966	13,197,895	50,840,342	49,483,635
Unrestricted	(25,556,332)	(20,590,859)	20,113,836	16,396,263	(5,442,496)	(4,194,596)
Total net position	$ 266,886,890	$ 262,796,786	$ 198,057,887	$ 185,316,485	$ 464,944,777	$ 448,113,271

As of September 30, 2019, a portion of the City's net position, $50,840,342 or (10.93)% represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position of ($5,442,496) is unavailable for use as this amount represents current and future uses of unrestricted assets. The current use and future use of assets, deficit balance, occurred from the implementation of the Government Accounting Standards Board's guidance on postemployment benefits. Total net position of the City is $464,944,777.

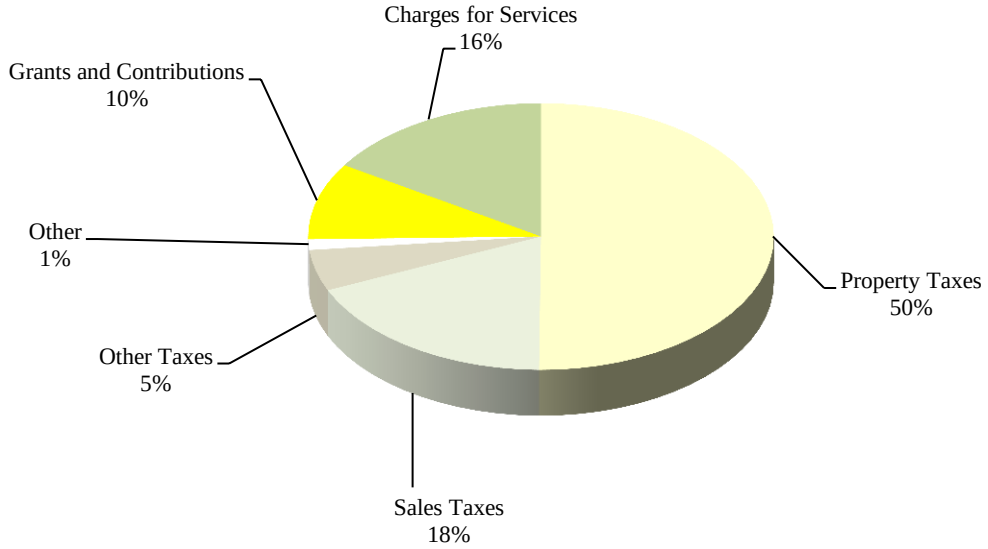
City's Changes in Net Position

	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2019	2018
Beg - Net Position (adjusted)	$ 262,796,786	$ 247,216,976	$ 185,316,485	$ 169,310,140	$ 448,113,271	$ 416,527,116
Revenues	$ 102,514,214	$ 98,935,123	$ 52,215,037	$ 59,599,884	$ 154,729,251	$ 158,535,007
Expenses	99,182,904	84,945,120	38,714,841	42,003,732	137,897,745	126,948,852
Transfers, net	758,794	1,589,807	(758,794)	(1,589,807)	-	-
Net Change in Position	4,090,104	15,579,810	12,741,402	16,006,345	16,831,506	31,586,155
End - Net Position	$ 266,886,890	$ 262,796,786	$ 198,057,887	$ 185,316,485	$ 464,944,777	$ 448,113,271

Governmental Activities

City governmental activity revenue for fiscal year 2019 increased $3.6 million from fiscal year 2018. Revenues in fiscal year 2018 were $98.9 million compared to this fiscal year revenue of $102.5 million. The increases were from new property taxes from new development, sales taxes, capital grants and better than expected collections from other revenues. Most of these increases were modest increases over prior year and primarily related to the improvements in the overall economy and the growth in the City's property improvements from the fiscal year ended 2019.

Governmental Activities - Revenues by Source for fiscal year ending 2019



Expenses in fiscal year 2019 compared to expenses in fiscal year 2018 increased by 16.76% or $14.2 million. The demand for services increased expenditures in fiscal 2019 compared to prior year. The increases occurred in public safety primarily due to added new personnel and this department represents the greatest number of employees working for the City. The increase in public works was related to additional expenses for aging streets.

The public works program of the City spends most of its money on street improvements, which are recognized over the course of time through depreciation expense after the improvements have been capitalized. In fiscal 2019, the City recognized $12.1 million in depreciation expense for street-related assets compared to $11.5 in fiscal 2018. Street improvements are expected to last twenty-five years with the appropriate level of maintenance and repair. This year, the City spent over $4.8 million in maintenance and repairs on its 630 plus miles of linear streets. The increase in depreciation expense and street maintenance comprises the bulk of the increase in the public works program

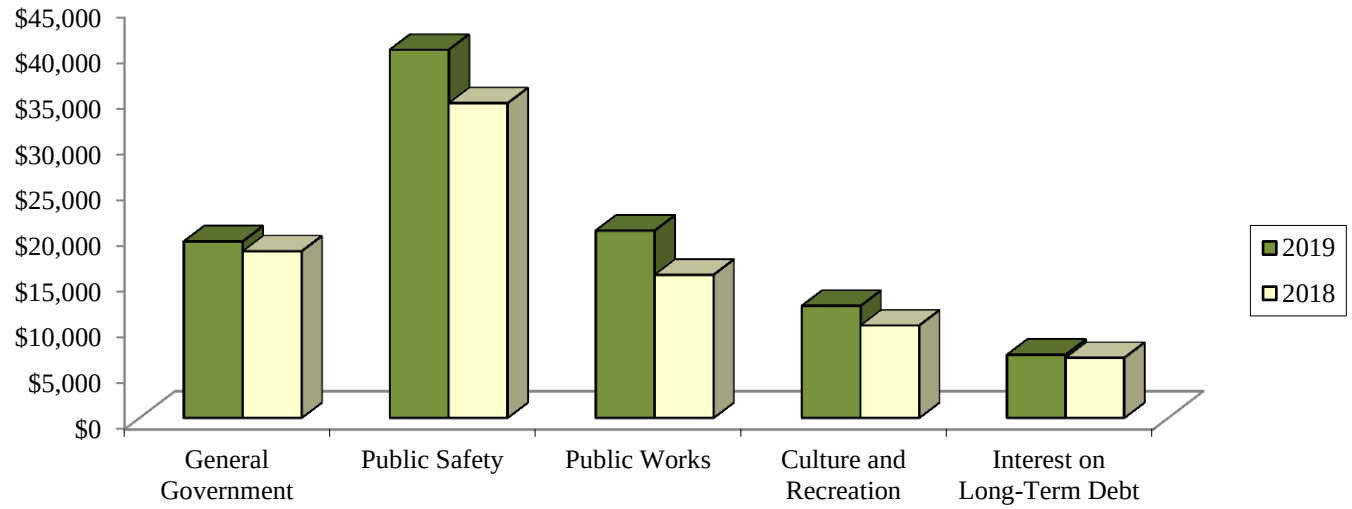
This year the City recognized $6.9 million in interest, amortization and associated issuance costs. Interest expense is the cost the City incurs for borrowing money to make long-term improvements that are generally regarded as long-term assets of the City.

This fiscal year, the Governmental activities increased the City's net position by $4.1 million. The increase in the City net position primarily occurred because of a decrease in capital contributions received by the City in the amount of $2.9 million and an increase in all tax categories collected of $6.8 million.

City's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES -						
Program Revenues:						
Charges for Services	$16,417,313	$17,039,875	$47,603,707	$55,327,502	$64,021,020	$72,367,377
Operating Grants and Contributions	364,704	537,571	-	-	364,704	537,571
Capital Grants and Contributions	9,190,904	12,138,654	3,968,414	3,900,175	13,159,318	16,038,829
General Revenues:						
Property taxes	51,392,861	46,358,223	-	-	51,392,861	46,358,223
Sales taxes	18,724,296	17,397,040	-	-	18,724,296	17,397,040
Other taxes	5,096,239	4,667,455	-	-	5,096,239	4,667,455
Other	1,327,897	796,305	642,916	372,207	1,970,813	1,168,512
Total Revenues	102,514,214	98,935,123	52,215,037	59,599,884	154,729,251	158,535,007
EXPENSES -						
General government	19,297,584	18,218,204	-	-	19,297,584	18,218,204
Public safety	40,252,978	34,407,383	-	-	40,252,978	34,407,383
Public works	20,480,928	15,647,044	-	-	20,480,928	15,647,044
Culture and recreation	12,247,607	10,104,737	-	-	12,247,607	10,104,737
Interest on debt	6,903,807	6,567,752	-	-	6,903,807	6,567,752
Water and Sewer	-	-	29,855,512	29,153,375	29,855,512	29,153,375
Law Enforcement	-	-	7,478,718	11,509,861	7,478,718	11,509,861
Drainage	-	-	1,380,611	1,340,496	1,380,611	1,340,496
Total Expenses	99,182,904	84,945,120	38,714,841	42,003,732	137,897,745	126,948,852
Before transfers	3,331,310	13,990,003	13,500,196	17,596,152	16,831,506	31,586,155
TRANSFERS, net	758,794	1,589,807	(758,794)	(1,589,807)	-	-
Change in net position	4,090,104	15,579,810	12,741,402	16,006,345	16,831,506	31,586,155
Net Position, Beginning	262,796,786	247,216,976	185,316,485	169,310,140	448,113,271	416,527,116
Net Position, Ending	$266,886,890	$262,796,786	$198,057,887	$185,316,485	$464,944,777	$448,113,271

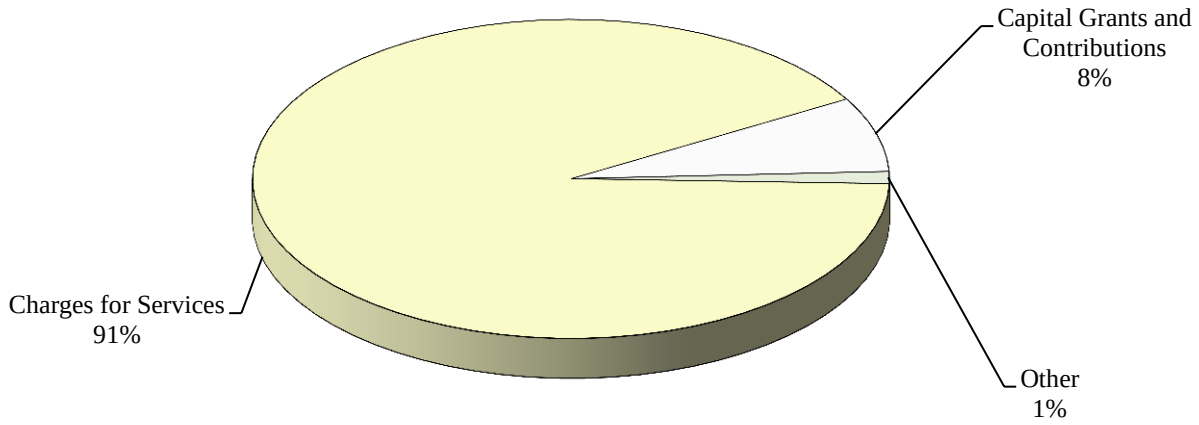
Governmental Activities – Expenses (in thousands)



Business-Type Activities

Revenues exceeded expenses for the City's business-type activities in fiscal year 2019. Total revenues including capital contributions were approximately $52.2 million and total expenses including interest expense were approximately $38.7 million while equity transfers were approximately ($0.8) million which added approximately $12.7 million to the Business-Type's net financial position. This increased the net position of the business-type activities from approximately $185.3 million to approximately $198.1 million by the end of fiscal year 2019.

Business-Type Activities – Revenues by Source for fiscal year ending 2019



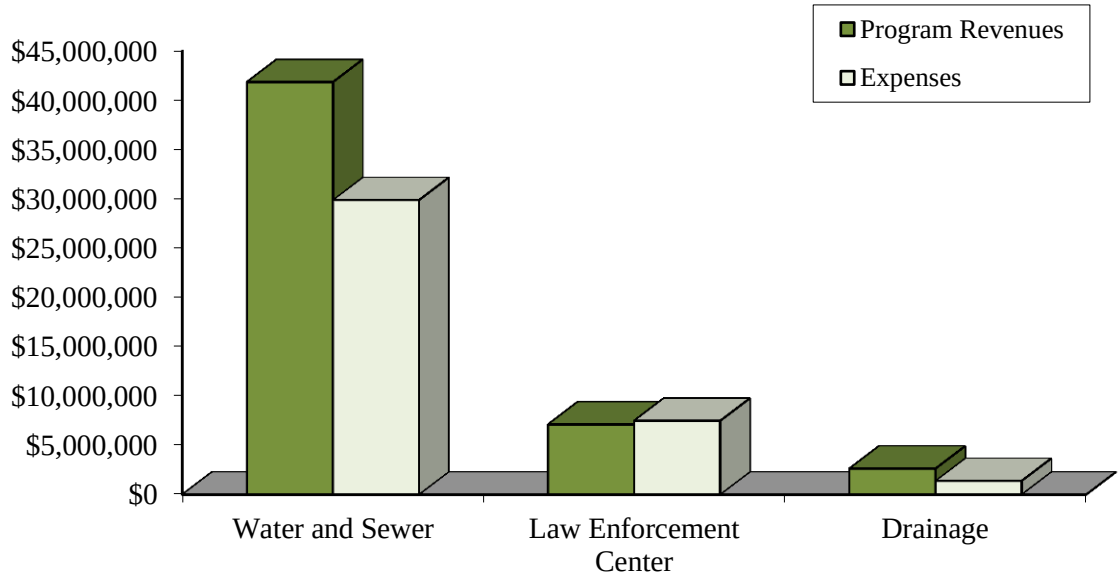
Comparatively, Business-Type Revenues exceeded prior year Business-Type Revenues by 12.39% or $7.4 million. Revenues including capital contributions for fiscal year 2019 were approximately $52.2 million and revenues including capital contributions for fiscal year 2018 were approximately $59.6 million. Expenses including interest for fiscal year 2019 were approximately $38.7 million before equity transfers of approximately $0.8 million and expenses including interest expense for fiscal year 2018 were approximately $42.0 million before equity transfers of approximately $1.6 million. The increase in net position was primarily the result of the activity of the City's Water & Sewer Fund as the financial results of the City's other Business-Type Funds, Law Enforcement Center Fund, and Drainage Utility Fund, for fiscal year 2019 was 14% of the change in the net position of the City's Business-Type Activities.

Capital contributions have been a revenue source for the Business-Type Activities. These capital contributions are from the public improvements donated by developers. The City requires developers to pay for the cost of public improvements or infrastructure needed to support their developments, and in fiscal year 2019, developers contributed public improvements or assets of $4.0 million. These assets are considered revenue in the year of acceptance or in the year of contribution. Generally, these capital contributions are non-cash contributions from developers and are in the form of water and sewer lines which are conveyed to the City as the developer finishes the developments.

The City's Law Enforcement Center charges a fee for the services rendered to support the contracts that the City has with other governmental agencies for the housing of inmates. These fees are recognized as Charges for Services in the Business-Type Activities and are used to pay for the cost of housing inmates in this Business-Type Activity.

The City's Drainage Utility charges a fee for the maintenance and continuance of the drainage improvement program of the City. The City has drainage basins that require extensive maintenance. The fee is used to service the improvement cost, debt service, and annual maintenance of the basins.

Business-Type Activities - Program Revenues and Expenses for fiscal year ending 2019



Financial Analysis of the Government's Funds

As discussed earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $58,387,132, an increase of $1,051,437 in comparison with the prior year. The majority of the increase is from the borrowing of bond proceeds that were used to construct infrastructure and purchase equipment. Approximately 28.89% or $16,870,818 of the ending fund balance of $58,387,132 constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of fund balance is dedicated for legally specific or defined purposes. To indicate that it is not available for new spending because it has already been committed, defined or legally restricted for specific purposes, the City has labeled the remaining fund balances as follows: 1) debt service or for future construction contracts, $37,961,036; 2) for committed purposes, $3,257,405, such as park improvements; and 3) for assigned purposes, $297,873, such as capital improvements and land acquisition.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the general fund was $17,409,306. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent approximately 29% of total general fund expenditures for fiscal year 2019.

The City's General Fund unassigned fund balance and fund balance increased $380,329 in fiscal year 2019. The key reasons for the increases are as follows:

- Actual revenues exceeded actual expenditures by $1,504,995 in the general fund.

- Other Sources of revenue included the Water and Sewer Utility Fund's payment in-lieu of taxes to the City's General Fund for the use of the City's right of way. This amount was $1,667,461 in fiscal year 2019.

The debt service fund has a fund balance of $1,697,691, which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was $409,227. The City generally budgets to maintain a constant fund balance within the debt service fund during the fiscal year, and any excess collection in a year is generally spent or used in the following year. The City pays for tax-pledged debt through the Debt Service Fund.

The street construction fund balance decreased by $293,247 during fiscal year 2019. This fund's fund balance decreased as a result of bonds issued and contributions received offset by construction payments of $8,478,598 for the improvement of major streets and neighborhood streets in and throughout the City. Other activity within the street construction fund included additional revenues from development fees charged by the City for the impact or costs that new development has on primary streets within the City. The fee generated $2,329,198 in fiscal year 2019.

The building construction fund expended $740,212 to finish the construction of the Stars Center recreational facilities and design other public facilities.

TIRZ #1 spent $307,178 for infrastructure improvements in the tax increment reinvestment zone.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position (deficit) of the Water and Sewer Fund at the end of the year amounted to $24,351,059, for the Law Enforcement Center amounted to ($7,744,988), and for the Drainage Utility Fund amounted to $3,507,765. Factors affecting the performance of these activities are as follows:

- The City treats lake water and sells it to consumers for a fee. In fiscal year 2019, Water and Sewer revenue decreased $1,382,498 or 4.00%, despite an increase in new connects to the system and a water and sewer fee increase in fiscal year 2019. Weather also influences the system's revenue. Fiscal year 2019 was a fairly fairly wet and mild year in the North Texas area as the temperatures were considered to be a little below average. The result was a decrease in Water and Sewer revenue for the City. Weather extremes can test the City's ability to produce water for consumption and it can test the system's ability to finance the infrastructure to supply the water to meet the demand of the consumer. A rainy year creates less demand for water, which creates less revenue to support the cost of financing the infrastructure, which is built to supply the demand for water in a year without rain.

- During fiscal year 2019, the City distributed 4.7 billion gallons of water while billing customers for 4.0 billion gallons of water usage or 85.1% of the actual plant's production. In fiscal year 2018, the City billed for 4.7 billion gallons of water usage compared to actual plant production of 4.9 billion. Actual water and sewer revenue in fiscal year 2019 decreased compared to fiscal year 2018. Actual water and sewer revenue in 2019 was $33.2 million compared to $34.6 million in fiscal 2018. Demand for water in fiscal year 2019 was consistent with demand for water in fiscal year 2018 even though the total number of customers increased year over year by 448 new accounts. The water and sewer activity of the business-type activities produced operating income of $9.6 million for fiscal year 2019 as compared to $12.5 million in fiscal year 2018.

- Unrestricted net position increased in the Water and Sewer Fund by $2,445,648. Operating expenses increased $712,742 over last year, excluding depreciation. Operating expenses are controlled through the direct administration of personnel costs and variable costs, which are directly caused by consumers' demand for the water. The City spent $5,667,444 for raw water in fiscal year 2019 compared to $5,287,359 in fiscal year 2018, and the City spent $7,372,667 to treat the City wastewater in fiscal 2019 compared to $6,862,364 in fiscal year 2018. The cost for raw water increased year over year by $380,085 while the cost to treat used water increased year over year by $510,303.

- The Law Enforcement Center Fund had an operating loss of $350,993 this fiscal year. The operating loss is attributable to the loss of the Fort Worth contract in fiscal year 2019.

- The Drainage Utility Fund revenue had operating income of $1,385,084 this fiscal year. Drainage Fees were $2,630,320 and operating expenses excluding depreciation were $1,083,807.

Budgetary Highlights

General Fund

The City opted to compare the final budget to the actual amounts for comparative purposes. The differences can be briefly summarized as follows:

Revenue results exceeded budgeted estimates by $2,145,417 for fiscal year ended 2019:

- Property Taxes were below budgeted estimates by $623,994 as collections were less than anticipated. Property valuations improved year over year which has improved overall property tax revenue compared to prior year; however, collections were anticipated to be greater than actual collections.

- Sales Taxes exceeded budgeted projections by $370,771 as the effects of the national economy loosened its hold on consumer spending in Mansfield, Texas, during fiscal 2019. New development occurred in 2019 that created new sales tax collections as well.

- Licenses and permits exceeded budgeted estimates by $274,323. The City's building permit revenues were above expectations because of the economic recovery in the residential construction sector in the area; although the City's economy performed well during the great recession, development has generally improved in the area because the region has been improving.

- Intergovernmental revenue was unexpected grant revenue that was awarded to the City in fiscal year 2019. The grant revenue was received by the City in fiscal year 2019 and used for purpose of public safety.

- Charges for services exceeded budgeted estimates by $827,469 as the majority of the better than expected revenue was derived from the collections of fees for trash services within the City.

- The most significant expenditure of the City was human capital. Management has been effective in maintaining the human capital costs of the organization. The bonds issued include reimbursement of a prior period land purchase. With the other financing sources and uses activity included with the operational activity, the City's revenue exceeded its expenditures for the fiscal year. The City was within the overall budget of $62,320,874 inclusive of all financial activity for the fiscal year 2019.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2019 amounts to $637,643,249 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

City's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$107,685,098	$101,730,579	$2,271,603	$2,271,603	$109,956,701	$104,002,182
Buildings and system	92,575,924	90,651,980	146,944,961	136,987,744	239,520,885	227,639,724
Improvements	10,391,300	11,681,322	2,368,225	2,335,119	12,759,525	14,016,441
Machinery and equipment	9,922,077	9,930,276	1,669,371	1,611,757	11,591,448	11,542,033
Infrastructure	201,407,087	190,194,825	44,858,158	42,091,192	246,265,245	232,286,017
Construction in progress	12,822,171	20,101,285	4,727,274	13,387,042	17,549,445	33,488,327
Total	$434,803,657	$424,290,267	$202,839,592	$198,684,457	$637,643,249	$622,974,724

Governmental Capital Assets

Roadway expansion and improvements remain a primary element of the City's public works program. In 2019, several major arterial thoroughfares in the City were widened to provide access to Mansfield's developing retail centers. Mansfield has leveraged future tax revenue with general obligation bonds and

anticipated the collection of roadway impact fees to pay for an expected $100 million in new street improvements over the next 10 years.

Street projects in fiscal year 2019:

- The City continued to improve Seeton Rd. and South Main St. Other road improvements include the completion of Debbie Lane from FM 157 to US 287.
- Several small arterial streets are under construction and design throughout neighborhoods.
- In total, the City spent $8,478,598 in street improvements and related work during fiscal year 2019.

Most of the capital assets that were added to construction in progress or the asset base of the City during fiscal year 2019 were planned or budgeted expenditures during fiscal year 2019. The City plans its asset expansion with deliberate budgetary control and oversight as these costs are substantial and have a significant effect on the operational cost and performance of the City.

Business-Type Assets

The City's municipally owned and operated water and sewer system has maintained its superior rating by the Texas Commission on Environmental Quality. Approximately 21% of the City's more than $72 million water/sewer improvement tab is expected to be paid by impact fees over the next ten years. These fees are designed to reduce the system's initial costs in building and running water and sewer lines to the user. These impact fees must be used for capital purposes and are restricted as to use by law.

The City's drainage program had some improvements this year which were mostly related improving systems detention basins. The City has spent over $7.7 million on the drainage improvements as of September 30, 2019.

For additional information on the City's capital assets, see note III.C. of the basic financial statements.

Long-Term Debt

At the end of the current fiscal year, the City had total principal outstanding of $236,040,000. Of this amount, $138,605,000 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City's Component Unit, Mansfield Economic Development Corporation, MEDC, has $25,170,000 in outstanding debt backed by a voter passed sales tax.

City's Outstanding Debt - Tax Obligations and Revenue Bonds

	Governmental Activities	Business-Type Activities	Component Unit MEDC	Total
Security Instrument:				
Tax obligation bonds	$ 138,115,000	$ 490,000	$ -	$ 138,605,000
Sales tax revenue bonds	35,260,000	-	25,170,000	60,430,000
Revenue bonds	-	37,005,000	-	37,005,000
Total	$ 173,375,000	$ 37,495,000	$ 25,170,000	$ 236,040,000

The City's total debt increased $3,410,000 or 1.42% during the current fiscal year. Key factors for the increase are from the issuance of additional bonds, which were offset by principal payments on existing outstanding debt. The City issued $13,750,000 in new bonds proceeds. The City maintains bond ratings from three rating agencies:

Company	General Fund Bonds	Water and Sewer Revenue Bonds	Sales Tax Revenue Bonds	Drainage Revenue Bonds
Moody's	"Aa2"	"Aa2"	"Aa3"	"Aa2"
Standard & Poor's	"AAA"	"AA+"	"A+"	"AA"
Fitch	"AA+"	"AA+"	"AA+"	"AA"

For additional information on the City's debt obligations, see note III. H, of the basic financial statements.

The City Charter of the City and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 populations, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. The City operates under a Home Rule Charter, which also imposes a limit of $2.50. The FY 2018/2019 Property Tax Rate was $0.70950 per $100 valuation with a tax margin of $1.79050 per $100 valuation based upon the maximum ad valorem tax rate noted above. Additional revenues up to $125,882,614, per year could be raised before reaching the maximum allowable tax base on the current year's appraised net taxable value of $7,030,584,424.

Economic Factors: Next Year's Budgets and Rates

The City Economy

- New residential construction is expected to add 1,217 units with approximately 712 single-family units in 2020. The City's tax year is one year in arrear; the housing starts in calendar year 2019 are for budget year or fiscal year 2021. The new development is expected to generate additional ad valorem tax for fiscal year 2021.

- The City's annual growth in property valuation has increased 6% annually on average for the past ten years. For fiscal years 2020 and 2021, the City's valuations are expected to increase 7.21% and 7.13%, respectively. Generally, the City has weathered the great recession and property valuations are expected to improve in fiscal 2020 and into 2021. The improvements are expected because of limited residential inventory, that the City is a good place to live as crime is low, that school ratings are fairly high, that land is affordable and the City's proximity to Dallas and Fort Worth. The City is developing a discernable and identifiable character of being a place to enjoy a life and a good quality life. These intangible characteristics developed recently - over the last decade. The City is also seeing the continued demand for commercial development because of the significant discretionary spending ability of its residents and the relatively stable economy within the City.

- Sales tax revenue is expected to increase with the new residential development and will grow annually; like property valuations, the City has adjusted its projections of anticipated sales tax receipts in 2020 and 2021. The expected budgeted sales tax receipts in 2020 are anticipated to exceed actual collections of 2019 by 4%. Management is monitoring the collections of sales tax revenue and may modify projections into 2020 depending upon the overall economy.

- Retail developments continue into 2020 and 2021. The challenge has been the effect of the national economy and the ability of companies and businesses to obtain capital financing. The City has taken an aggressive position in continuing development in the City because of the support for continued retail development and the community's expectation of additional retail. Development is expected to continue and new property valuations are expected from these developments.

- Median income continues to be an attractive asset for additional development and many in the development community are planning on capturing this income through commercial developments.

- The City has developed stringent building standards that require sustainable developments to assist in extending the asset life of the tax base into the future.

- Efforts have been made to revitalize the City's downtown. The area has suffered in past years from the lack of commerce and trade. The City has created a reinvestment zone to restore and generate new development in this area of the City. The City has purchased land and offered incentives to businesses for locating their new operations in the downtown area. The area is beginning to show signs of growth from the efforts and incentives.

These variables were considered in preparing the City's budget for the 2020 fiscal year.

The City's 2020 General Fund Operating Revenue Budget increased approximately 9.51% or $5.9 million over the fiscal year 2019 budget. Most of this revenue growth was from new development in the City that generated additional property tax and sales tax revenue. The tax rate is $0.71 per $100 in assessed valuation of property within the City limits for fiscal year 2020. Any additional appropriations made during fiscal year 2020 will be offset through the management of the operating expenditures of the General Fund during the course of fiscal year 2020.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Mansfield, 1200 E. Broad Street, Mansfield, Texas 76063. Questions may also be directed to 817-276-4296.

City of Mansfield, Texas
Statement of Net Position
As of September 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	MEDC
ASSETS				
Cash and cash equivalents and investments	$ 63,086,138	$ 30,625,588	$ 93,711,726	$ 3,477,165
Receivables (net of allowance for uncollectibles)	4,710,190	7,216,657	11,926,847	488,327
Lease receivable	2,140,277	-	2,140,277	-
Inventories	-	1,083,447	1,083,447	-
Restricted assets:				
Cash and cash equivalents and investments	-	13,550,579	13,550,579	6,538,977
Capital assets (net of accumulated depreciation):				
Land	107,685,098	2,271,603	109,956,701	10,272,190
Buildings and systems	92,575,924	146,944,961	239,520,885	-
Improvements other than buildings	10,391,300	2,368,225	12,759,525	90,976
Machinery and equipment	9,922,077	1,669,371	11,591,448	-
Infrastructure	201,407,087	44,858,158	246,265,245	-
Construction in progress	12,822,171	4,727,274	17,549,445	17,573,278
Subtotal capital assets	434,803,657	202,839,592	637,643,249	27,936,444
Total assets	504,740,262	255,315,863	760,056,125	38,440,913
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension contributions	3,289,904	865,698	4,155,602	30,559
Deferred OPEB contributions	31,975	9,787	41,762	240
Deferred investment losses	6,285,867	1,177,656	7,463,523	25,369
Deferred assumption changes	48,092	17,996	66,088	830
Deferred actuarial experience	7,934,328	2,453,781	10,388,109	73,646
Deferred loss on refunding	2,641,100	2,757,460	5,398,560	120,384
Total deferred outflows of resources	20,231,266	7,282,378	27,513,644	251,028
LIABILITIES				
Accounts payable and other current liabilities	7,630,988	1,487,384	9,118,372	68,556
Liabilities payable from restricted assets	-	2,531,736	2,531,736	-
Noncurrent liabilities:				
Due within one year	14,792,596	4,624,004	19,416,600	1,813,893
Due in more than one year	174,890,015	38,810,577	213,700,592	24,362,116
Net pension liability	25,641,058	6,724,309	32,365,367	235,863
Net OPEB liability	31,986,834	9,789,743	41,776,577	239,492
Total OPEB liability - SDBF	917,323	252,913	1,170,236	8,842
Total liabilities	255,858,814	64,220,666	320,079,480	26,728,762
DEFERRED INFLOWS OF RESOURCES				
Prepaid rent	1,413,333	-	1,413,333	-
Deferred assumption changes	812,491	305,610	1,118,101	7,196
Deferred gain on refunding	-	14,078	14,078	-
Total deferred inflows of resources	2,225,824	319,688	2,545,512	7,196
NET POSITION				
Net investment in capital assets	255,292,846	164,254,085	419,546,931	7,829,590
Restricted for:				
Debt Service	1,404,167	3,904,565	5,308,732	229,457
Capital Projects	35,746,209	9,785,401	45,531,610	-
Unrestricted	(25,556,332)	20,113,836	(5,442,496)	3,896,936
Total net position	$ 266,886,890	$ 198,057,887	$ 464,944,777	$ 11,955,983

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas

Statement of Activities

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: MEDC
Primary government:								
Governmental activities:								
General government	$ 19,297,584	$ 7,130,290	$ -	$ -	$ (12,167,294)	$ -	$ (12,167,294)	$ -
Public safety	40,252,978	3,528,325	360,564	71,000	(36,293,089)	-	(36,293,089)	-
Public Works	20,480,928	2,804,854	-	9,119,904	(8,556,170)	-	(8,556,170)	-
Culture and recreation	12,247,607	2,953,844	4,140	-	(9,289,623)	-	(9,289,623)	-
Interest on long-term debt	6,903,807	-	-	-	(6,903,807)	-	(6,903,807)	-
Total governmental activities	99,182,904	16,417,313	364,704	9,190,904	(73,209,983)	-	(73,209,983)	-
Business-type activities:								
Water	21,021,441	25,051,932	-	1,969,445	-	5,999,936	5,999,936	-
Sewer	8,834,071	12,805,588	-	1,998,969	-	5,970,486	5,970,486	-
Law enforcement center	7,478,718	7,113,585	-	-	-	(365,133)	(365,133)	-
Drainage	1,380,611	2,632,602	-	-	-	1,251,991	1,251,991	-
Total business-type activities	38,714,841	47,603,707	-	3,968,414	-	12,857,280	12,857,280	-
Total primary government	$ 137,897,745	$ 64,021,020	$ 364,704	$ 13,159,318	$ (73,209,983)	$ 12,857,280	$ (60,352,703)	$ -
Component units:								
MEDC	5,565,761	919	3,054,050	-	-	-	-	(2,510,792)
Total component units	$ 5,565,761	$ 919	$ 3,054,050	$ -	$ -	$ -	$ -	$ (2,510,792)
General revenues:								
Property taxes					51,392,861	-	51,392,861	-
Sales taxes					18,724,296	-	18,724,296	6,247,275
Franchise taxes					4,093,063	-	4,093,063	-
Mixed drink taxes					277,793	-	277,793	-
Hotel/Motel taxes					725,383	-	725,383	-
Unrestricted investment earnings					1,119,147	642,916	1,762,063	99,815
Gas royalty income					156,588	-	156,588	-
Gain/(loss) on sale of capital assets					52,162	-	52,162	(269,513)
Transfers					758,794	(758,794)	-	-
Total general revenues					77,300,087	(115,878)	77,184,209	6,077,577
Change in net position					4,090,104	12,741,402	16,831,506	3,566,785
Net position beginning					262,796,786	185,316,485	448,113,271	8,389,198
Net position ending					$ 266,886,890	$ 198,057,887	$ 464,944,777	$ 11,955,983

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Balance Sheet
Governmental Funds
As of September 30, 2019

	General	Debt Service	Street Construction	Building Construction	TIRZ #1	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash, cash equivalents, and investments	$ 16,589,570	$ 1,697,691	$ 25,083,308	$ 4,358,226	$ 3,708,239	$ 11,649,104	$ 63,086,138
Receivables (net of allowance for uncollectibles)	3,609,061	125,557	-	-	24,581	950,991	4,710,190
Due from other funds	558,010	-	-	-	-	-	558,010
Total assets	$ 20,756,641	$ 1,823,248	$ 25,083,308	$ 4,358,226	$ 3,732,820	$ 12,600,095	$ 68,354,338
LIABILITIES AND FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES							
Liabilities:							
Accounts payable	$ 1,218,750	$ -	$ 662,537	$ 690,883	$ 769,745	$ 685,255	$ 4,027,170
Due to other funds	-	-	-	-	-	558,010	558,010
Accrued liabilities	1,297,348	-	8,713	-	-	1,039,510	2,345,571
Retainage payable	-	-	189,699	-	-	132,331	322,030
Unearned revenue	831,237	125,557	-	-	-	1,757,631	2,714,425
Total liabilities	3,347,335	125,557	860,949	690,883	769,745	4,172,737	9,967,206
Fund balances:							
Restricted	$ -	$ 1,697,691	$ 24,222,359	$ 3,667,343	$ 2,963,075	$ 5,410,568	$ 37,961,036
Commited	-	-	-	-	-	3,257,405	3,257,405
Assigned	200,786	-	-	-	-	97,087	297,873
Unassigned	17,208,520	-	-	-	-	(337,702)	16,870,818
Total fund balances	17,409,306	1,697,691	24,222,359	3,667,343	2,963,075	8,427,358	58,387,132
Total liabilities, deferred inflows of resources, and fund balances	$ 20,756,641	$ 1,823,248	$ 25,083,308	$ 4,358,226	$ 3,732,820	$ 12,600,095	
Amounts reported for governmental activities in the statement of net position are different because:							
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.							434,803,657
Lease receivables in the governmental activities are not financial resources and, therefore, are not reported in the funds.							2,140,277
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.							1,301,092
Long-term liabilities, including bonds payable and pension expense, are not due and payable in the current period and therefore are not reported in the funds							(229,745,268)
Net position of governmental activities							$ 266,886,890

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2019

	General	Debt Service	Street Construction	Building Construction	TIRZ #1	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Property	$ 33,966,793	$ 15,525,781	$ -	$ -	$ 1,384,189	$ 430,151	$ 51,306,914
Sales	12,494,551	-	-	-	-	6,229,745	18,724,296
Franchise	4,093,063	-	-	-	-	-	4,093,063
Mixed drink	277,793	-	-	-	-	-	277,793
Hotel/motel	-	-	-	-	-	725,383	725,383
Licenses and permits	2,260,191	-	-	-	-	150,423	2,410,614
Intergovernmental	599,725	-	1,120,808	-	-	71,000	1,791,533
Charges for services	5,537,205	-	-		-	1,819,618	7,356,823
Fines	1,727,667	-	-	-	-	152,644	1,880,311
Interest earnings	589,290	10,777	293,577	36,470	33,543	155,490	1,119,147
Contributions and donations	-	-	-	-	-	109,902	109,902
Impact fees	-	-	2,329,198	-	-	620,500	2,949,698
Miscellaneous	1,009,032	14,967	7,818	-	-	73,533	1,105,350
Total revenues	62,555,310	15,551,525	3,751,401	36,470	1,417,732	10,538,389	93,850,827
EXPENDITURES							
Current:							
General government	15,635,490	-	-	-	307,178	1,147,674	17,090,342
Public safety	36,353,285	-	-	-	-	84,858	36,438,143
Public works	4,689,809	-	3,054,050	-	-	-	7,743,859
Culture and recreation	4,197,037	-	-	21,669	-	5,021,496	9,240,202
Debt service:							
Principal	-	9,540,000	-	-	-	1,670,000	11,210,000
Interest	-	5,579,980	-	-	-	1,484,395	7,064,375
Fiscal charges	-	22,318	-	-	-	3,500	25,818
Bond issuance cost	-	-	97,344	35,906	-	48,322	181,572
Capital outlay:							
Land	-	-	-	822,455	-	5,162,166	5,984,621
Highways and streets	-	-	8,478,598	-	-	-	8,478,598
Buildings	-	-	-	740,212	-	786,582	1,526,794
Improvements other than buildings	-	-	-	-	-	1,227,046	1,227,046
Equipment	174,694	-	-	10,125	-	1,203,033	1,387,852
Total expenditures	61,050,315	15,142,298	11,629,992	1,630,367	307,178	17,839,072	107,599,222
Excess (deficiency) of revenues over (under) expenditures	1,504,995	409,227	(7,878,591)	(1,593,897)	1,110,554	(7,300,683)	(13,748,395)
OTHER FINANCING SOURCES (USES)							
Transfers in	1,963,663	-	-	481,223	-	2,050,381	4,495,267
Transfers out	(3,187,154)	-	-	-	(296,200)	(253,119)	(3,736,473)
Sale of city property	98,825	-	-	-	-	13,463	112,288
Bonds issued	-	-	7,488,000	2,762,000	-	3,500,000	13,750,000
Premium on bonds issued	-	-	97,344	35,906	-	45,500	178,750
Total other financing sources and uses	(1,124,666)	-	7,585,344	3,279,129	(296,200)	5,356,225	14,799,832
Net change in fund balances	380,329	409,227	(293,247)	1,685,232	814,354	(1,944,458)	1,051,437
Fund balances - beginning	17,028,977	1,288,464	24,515,606	1,982,111	2,148,721	10,371,816	57,335,695
Fund balances - ending	$ 17,409,306	$ 1,697,691	$ 24,222,359	$ 3,667,343	$ 2,963,075	$ 8,427,358	$ 58,387,132

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances total governmental funds	$	1,051,437
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		1,727,724
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		8,785,666
Lease revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenue in the funds.		439,999
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		(674,566)
Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow until then. Deferred outflows are deferred pension contributions, deferred investment losses, deferred charges on refunding and deferred pension expenses.		8,326,459
Deferred inflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an inflow until then. Deferred inflows are deferred pension contributions		5,408,372
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the treatment of long-term debt and related items. Also included is net pension liability which is the difference in Total Pension Liabilty less the Plan Fiduciary Net Position.		(20,974,987)
Changes in net position of governmental activities	$	4,090,104

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Net Position
Proprietary Funds
September 30, 2019

	Business-Type Activities Enterprise Funds			
	Water and Sewer	Law Enforcement Center	Drainage Utility	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 26,792,196	$ 105,058	$ 3,728,334	$ 30,625,588
Accounts receivable (net of allowance for uncollectibles)	6,287,382	567,208	362,067	7,216,657
Inventories	1,057,302	26,145.00	-	1,083,447
Current assets	34,136,880	698,411	4,090,401	38,925,692
Current restricted assets:				
Cash and cash equivalents	13,252,081	216,436	82,062	13,550,579
Total current assets	47,388,961	914,847	4,172,463	52,476,271
Noncurrent assets:				
Capital assets:				
Land	186,976	234,528	1,850,099	2,271,603
Buildings and systems	245,041,748	7,363,784	7,725,501	260,131,033
Improvements other than buildings	138,950	2,688,591	-	2,827,541
Machinery and equipment	4,012,230	1,332,776	393,535	5,738,541
Construction in progress	4,712,809	-	14,465	4,727,274
Less accumulated depreciation	(65,597,500)	(5,789,043)	(1,469,857)	(72,856,400)
Total capital assets (net of accumulated depreciation)	188,495,213	5,830,636	8,513,743	202,839,592
Total noncurrent assets	188,495,213	5,830,636	8,513,743	202,839,592
Total assets	235,884,174	6,745,483	12,686,206	255,315,863
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension contributions	364,615	465,082	36,001	865,698
Deferred OPEB contributions	4,297	5,091	399	9,787
Deferred investment losses	689,351	414,144	74,161	1,177,656
Deferred assumption changes	5,863	11,705	428	17,996
Deferred actuarial experience	1,011,900	1,349,279	92,602	2,453,781
Deferred loss on refunding	2,638,327	-	119,133	2,757,460
Total deferred outflows of resources	4,714,353	2,245,301	322,724	7,282,378
LIABILITIES				
Current liabilities:				
Accounts payable	1,104,870	118,338	47,428	1,270,636
Compensated absences	325,677	342,601	16,573	684,851
Accrued liabilities	93,808	106,762	16,178	216,748
Current liabilities	1,524,355	567,701	80,179	2,172,235
Current liabilities payable from restricted assets:				
Customer deposits payable	1,555,672	3,362	-	1,559,034
Revenue bonds payable	3,461,961	-	432,503	3,894,464
Certificates of obligation payable	-	44,689	-	44,689
Accrued interest payable	785,091	2,448	-	787,539
Retainage payable	117,991	-	5,126	123,117
Accrued liabilities	-	62,046	-	62,046
Current liabilities payable from restricted assets	5,920,715	112,545	437,629	6,470,889
Total current liabilities	7,445,070	680,246	517,808	8,643,124
Noncurrent liabilities:				
Compensated absences	433,582	1,078,555	27,838	1,539,975
General obligation bonds payable (net of unamortized discounts)	-	442,720	-	442,720
Revenue bonds payable (net of deferred amount on refunding)	34,508,084	-	2,319,798	36,827,882
Total OPEB liability - SDBF	106,471	134,769	11,673	252,913
Net OPEB liability	4,298,243	5,092,347	399,153	9,789,743
Net pension liability	2,929,016	3,563,664	231,629	6,724,309
Total noncurrent liabilities	42,275,396	10,312,055	2,990,091	55,577,542
Total liabilities	49,720,466	10,992,301	3,507,899	64,220,666
DEFERRED INFLOWS OF RESOURCES				
Deferred assumption changes	111,429	186,253	7,928	305,610
Deferred gain on refunding	-	14,078	-	14,078
Total deferred inflows of resources	111,429	200,331	7,928	319,688
NET POSITION (DEFICIT)				
Net investment in capital assets	153,163,492	5,329,151	5,761,442	164,254,085
Restricted for debt service	3,661,056	19,613	223,896	3,904,565
Restricted for capital projects	9,591,025	194,376	-	9,785,401
Unrestricted	24,351,059	(7,744,988)	3,507,765	20,113,836
Total net position	$ 190,766,632	$ (2,201,848)	$ 9,493,103	$ 198,057,887

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2019

	Business-type Activities Enterprise Funds			
	Water and Sewer	Law Enforcement Center	Drainage Utility	Total
Operating revenues:				
Charges for sales and services:				
Water sales	$ 20,401,003	$ -	$ -	$ 20,401,003
Sewer charges	12,805,588	-	-	12,805,588
Drainage fees	-	-	2,630,320	2,630,320
Housing services	-	6,749,005	-	6,749,005
Other services	4,650,929	364,580	2,282	5,017,791
Total operating revenues	37,857,520	7,113,585	2,632,602	47,603,707
Operating expenses:				
Costs of sales and services	19,342,805	6,422,122	197,795	25,962,722
Administration	4,220,376	805,121	886,012	5,911,509
Depreciation	4,681,516	237,335	163,711	5,082,562
Total operating expenses	28,244,697	7,464,578	1,247,518	36,956,793
Operating income (loss)	9,612,823	(350,993)	1,385,084	10,646,914
Nonoperating revenues (expenses):				
Interest earnings	620,381	-	22,535	642,916
Interest expense	(1,610,815)	(14,140)	(133,093)	(1,758,048)
Total nonoperating revenue (expenses)	(990,434)	(14,140)	(110,558)	(1,115,132)
Income (loss) before contributions and transfers	8,622,389	(365,133)	1,274,526	9,531,782
Capital contributions	3,968,414	-	-	3,968,414
Transfers in (out)	(1,667,461)	908,667	-	(758,794)
Change in net position	10,923,342	543,534	1,274,526	12,741,402
Total net position - beginning	179,843,290	(2,745,382)	8,218,577	185,316,485
Total net position- ending	$ 190,766,632	$ (2,201,848)	$ 9,493,103	$ 198,057,887

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds			
	Water and Sewer Fund	Law Enforcement Center	Drainage Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customer and users	$ 37,051,567	$ 7,076,376	$ 2,610,765	$ 46,738,708
Payments to suppliers	(18,050,420)	(1,361,652)	(515,517)	(19,927,589)
Payments to employees	(5,103,635)	(7,461,830)	(477,417)	(13,042,882)
Net cash provided by (used in) operating activities	13,897,512	(1,747,106)	1,617,831	13,768,237
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to/from other funds	(1,667,461)	908,667	-	(758,794)
Net cash provided by (used in) capital and related financing activities	(1,667,461)	908,667	-	(758,794)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(4,960,853)	(32,115)	(276,315)	(5,269,283)
Principal paid on capital debt	(3,875,000)	(50,000)	(420,000)	(4,345,000)
Interest paid on capital debt	(1,714,707)	(15,684)	(111,770)	(1,842,161)
Net cash used in capital and related financing activities	(10,550,560)	(97,799)	(808,085)	(11,456,444)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	620,381	-	22,535	642,916
Net cash provided by investing activities	620,381	-	22,535	642,916
Net increase (decrease) in cash and cash equivalents	2,299,872	(936,238)	832,281	2,195,915
Cash and cash equivalents, October 1	37,744,405	1,257,732	2,978,115	41,980,252
Cash and cash equivalents, September 30 (including $13,252,081; $216,436; and $82,062 for the Water and Sewer fund, Law Enforcement Center fund, and Drainage Utility fund, respectively, reported in restricted accounts)	$ 40,044,277	$ 321,494	$ 3,810,396	$ 44,176,167
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	$ 9,612,823	$ (350,993)	$ 1,385,084	$ 10,646,914
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	4,681,516	237,335	163,711	5,082,562
(Increase) in accounts receivable	(845,137)	(37,209)	(21,837)	(904,183)
(Increase) in inventories	(394,919)	(6,240)	-	(401,159)
Increase (decrease) in accounts payable	843,229	(1,589,999)	90,873	(655,897)
Total adjustments	4,284,689	(1,396,113)	232,747	3,121,323
Net cash provided by (used in) operating activities	$ 13,897,512	$ (1,747,106)	$ 1,617,831	$ 13,768,237
Noncash capital activities:				
Contributions of capital assets from developers	$ 3,968,414	$ -	$ -	$ 3,968,414

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2019

	Agency
ASSET	
Cash and cash equivalents	$3,781,949
Total assets	$3,781,949
LIABILITIES	
Insurance payable	$3,781,949
Total liabilities	$3,781,949

The notes to the financial statements are an integral part of this statement.

I. Summary of Significant Accounting Policies

The financial statements of the City of Mansfield, Texas (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City are described herein.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member Council. As required by GAAP, these financial statements present the City and its component units, for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations, and data from these units are combined with data from the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Units

Mansfield Park Facilities Development Corporation (MPFDC) - The MPFDC board of directors is appointed by the City Council, and the City management maintains significant continuing management responsibility with respect to MPFDC policies. Additionally, the City is ultimately responsible for MPFDC fiscal matters. The MPFDC provides services exclusively to the City (i.e., the MPFDC constructs capital assets on behalf of the City). The MPFDC does not issue separate financial statements and the MPFDC is included in the other governmental funds.

Mansfield Tax Increment Financing Reinvestment Zone Number One (TIRZ #1) - The City and the City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of the TIRZ #1. The TIRZ #1 board of directors is a seven-member board; four members of the board of directors are members of the City's Council with the remaining three board members appointed by the participating entities of the TIRZ #1 unless the participating entity waives its right to board membership, which at such time the City may appoint a member in its stead. Two Counties, Tarrant, and Ellis County, participate in the City's TIRZ #1 as it is a 3,100-acre tract of land that is in three Counties. The TIRZ #1 does not issue separate financial statements, as the TIRZ #1 is included as a major fund of the City. The TIRZ #1 was established in December 2006 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #1, which are owned and maintained by the City.

Mansfield Tax Increment Financing Reinvestment Zone Number Two (TIRZ #2) – The City and the City's management maintain significant influence and responsibility in the approval of programs, expenditures, and obligations of the TIRZ #2. The TIRZ #2 board of directors is a five-member board; four members of the board of directors are members of the City's Council with the remaining board member appointed by Tarrant County, the other participating entity. This TIRZ #2 was established to revitalize the City's Historic Downtown area, which includes 317 developed acres. The TIRZ #2 does not issue separate financial statements, as the TIRZ #2 is included as a non-major fund of the City. The TIRZ #2 was

established in December 2012 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #2, which will be owned and maintained by the City.

South Pointe Public Improvement District – The City established a public improvement district for the purpose of maintaining public improvements on approximately 873 acres in the TIRZ number one area. An annual assessment will fund the public improvement district.

Discretely Presented Component Unit

Mansfield Economic Development Corporation (MEDC) – In 1997, the voters passed an additional 1/2 cent sales tax to fund an aggressive economic development program and provide financial incentives, infrastructure needs, and tax relief in the recruitment and retention of industry. Although the City Council appoints all board members, none of the board members are currently City Council members or City employees. In addition, City management maintains significant continuing management responsibility with respect to MEDC financial matters. Although the MEDC financial matters are ratified or denied by the City, the City is not legally entitled to the MEDC resources or is it legally obligated for the indebtedness of the MEDC. The MEDC provides financial incentives to business and industry as permitted by statute and does not provide services entirely or almost entirely to the City and does not issue separate financial statements.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where amounts reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The previous reporting model emphasized fund types (the total of all funds of a particular type); in the reporting model as defined by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the focus is either the City as a whole or major individual fund (within the fund financial statements).

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Police, Fire, Public Works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, interest income, etc.).

Separate fund-based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, street construction fund, building construction fund, and TIRZ #1 fund. The major enterprise funds are the water and sewer fund, the law enforcement center fund, and the drainage utility fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds along with other qualitative factors. The non-major funds are combined in a separate column in the fund financial statements. The non-major funds are detailed in the combining section of the statements.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary fund (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are presented using the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers ad valorem tax, sales tax, hotel/motel tax, mixed drink tax, and investment earnings to be available if they are collected within 60 days of the end of the current fiscal period. Franchise tax revenues are considered to be available if collected within 30 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and will be paid shortly after year-end (not to exceed one month).

Licenses and permits, charges for services, fines, contributions and donations, impact fees, and miscellaneous revenues are recorded as revenues when received in cash, as the amounts are typically not known until received. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, as soon as all eligibility requirements have been met, moneys must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, moneys are virtually

unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if all eligibility requirements are met.

A portion of the City's revenues are derived from developer contributions. The effect of these transactions, recorded as revenue, in the City's water and sewer funds was significant. Developer's contributions of $3,968,414 are recorded as non-operating revenue in the water and sewer fund financial statements. These amounts represent revenues from non-exchange transactions during the fiscal year. For reporting non-exchange transactions for the governmental activities, in the government-wide financial statements on the accrual basis of accounting, the revenues are recorded as capital contributions program revenue, which totaled $8,845,792.

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer Fund, Law Enforcement Center Fund, and Drainage Utility Fund are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following major governmental funds:

The General Fund is the operating fund of the City. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The General Obligation Debt Service Fund (Debt Service) is used to account for the accumulation of resources for and the payment of, principal and interest on general long-term obligation debt. The primary source of revenue is ad valorem taxes, which are levied by the City.

The Street Construction Fund accounts for the financial resources to be used in the construction of roadways and bridges. The Fund is financed from general obligation bond proceeds, certificates of obligation proceeds, impact fees, developer contributions, or other sources.

The Building Construction Fund accounts for the financial resources to be used in the construction of general governmental buildings and facilities. The Fund is financed from general obligation bond proceeds, certificates of obligation proceeds, or other sources.

The TIRZ One Fund accounts for the financial resources to be used in the development, construction, improvements, and acquisition of land within a boundary that encompasses 3,100 acres of mixed-use property. The Fund is financed from the increased property values above a preexisting property tax base on January 1, 2006. The year-over-year increase in property values will be contributed by the City and the participating Counties. The City's contribution of property tax from the increased property values is 65% of the increased property within the TIF boundary, and the County's contribution of property tax from the increased property values is 30% of the increased property within Counties limits within the TIF boundary.

The other governmental funds column is a summarization of all the non-major governmental fund types.

The government reports the following major proprietary funds:

The Water and Sewer Fund accounts for the operation of the City's water and sewer system. Activities of the Fund include administration, operation, and maintenance of the water and sewer system and billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for general obligation, and revenue bonds. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the Fund.

The Law Enforcement Center Fund accounts for the operation of the City's jail facility.

The Drainage Utility Fund accounts for the operation of the City's drainage system. Activities of the Fund include administration, operation, and maintenance of the drainage system. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.

Additionally, the government reports the following fund type:

Agency Funds are used to account for assets held by the City in a trustee capacity for others or for other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables. The Payroll Fund and the Employee Group Health Insurance Fund are the Agency Funds currently administered by the City.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments:

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with original maturities of three months or less from the end of the fiscal year.

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the balance sheet or statement of net position as "Cash, Cash Equivalents, and Investments" under each fund's caption. Except for bond-related and other restricted transactions, the City conducted all its banking and investment transactions with one financial institution.

For fiscal year 2019, the City invested in direct obligations of the U.S. government, or its agencies and mutual funds as authorized by the City's investment policy. The City records interest revenue earned from investment activities in each respective fund and recognizes its investments on a fair value basis, which is based on quoted market prices.

2. Inventory:

Inventory consists primarily of supplies, valued at cost. Cost is determined using the weighted average method. Inventory is charged to the user departments and recorded as expenses/expenditures when consumed rather than when purchased. The non-spendable portion of the fund balance is provided equal to the amount of inventory, as the amount is not available for expenditure.

3. Prepaid Items:

Payments made to vendors for services that will benefit future periods are recorded as prepaid items. These payments are recognized under the consumption method.

4. Capital Assets:

Capital assets, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, while improvements and betterments are capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Building and Improvements	50 years
Water and Sewer Lines	50 years
Vehicles, Machinery, and Equipment	4-10 years
Infrastructure	25 years

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with the interest earned on invested proceeds over the same period. The City capitalized $0 of interest during fiscal year 2019.

5. Deferred Inflows and Outflows:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and will not be recognized as an outflow of resources (expense/expenditure) until the appropriate future period. The City has six items that qualify for this category. Deferred pension/OPEB contributions relate to contributions made by the City after the measurement date so they are deferred and recognized in the upcoming fiscal year. Deferred investment gains/losses are the differences in the projected and actual earnings on the pension/OPEB assets. This difference is deferred and amortized over a closed five year period. Deferred actuarial expense is the difference in the expected and actual pension experience. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred assumption changes are differences arising from a change in actuarial assumptions and are deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred loss on refunding are the differences in carrying value of the refunded debt compared to its acquisition price. This difference is deferred and amortized over the remaining life of the refunded debt. Unavailable revenue is only reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

This separate financial statement element, deferred inflows of resources is used to report revenues of the City that are applicable to a future reporting period. Deferred inflows of resources are used to report acquisitions of net assets by the City that are applicable to future reporting periods. The deferred inflow is

reclassified to revenue on the government-wide financial statements. Deferred pension contribution is the difference in assumption changes or actuarial gains or losses. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

6. Compensated Absences:

Vested or accumulated vacation leave is accrued in the government-wide and proprietary fund financial statements when incurred. No liability is recorded for non-vesting, accumulating rights to receive sick pay benefits. Vacation is earned in varying amounts up to a maximum of fifteen (15) days for employees with ten (10) or more years of service. Unused vacation leave is carried forward from one year to the next without limit with regards to years of service. As of September 30, 2019, the liability for accrued vacation was $9,829,599. The amount applicable to the Proprietary Funds of $2,224,826 and the MEDC of $74,073 have been recorded in these funds, and the amount applicable to other funds of $7,530,700 has been recorded in the government-wide financial statements.

7. Interfund Charges:

The City allocates to the Water and Sewer Fund, a percentage of the salaries and wages and related costs of personnel who perform administrative services for the fund but are paid through the General Fund. During the year ended September 30, 2019, the City allocated $147,980 to the Water and Sewer Fund for these services.

8. Property Tax:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent on February 1 of the following year. The City contracts with Tarrant County to bill and collect its property taxes. Property tax revenues are recognized when they are both measurable and available. Revenues are considered both measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

9. Long-Term Obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Net pension liability is the liability of employers and non-employer contribution entities to plan members for benefits provided through a defined benefit plan. Net OPEB/Total OPEB - SDBF liabilities are the liabilities of postemployment benefits provided to employees separately from a pension plan. Net OPEB liabilities are funded through an irrevocable trust while Total OPEB - SDBF liabilities are not.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Restricted Assets:

Certain proceeds of Proprietary Fund Revenue Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Additionally, amounts held by the City for inmates of the Law Enforcement Center are also classified as restricted assets on the statement of net position.

11. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Final settlement amounts could differ from those estimates.

12. Fund Balance Classification:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to classify the fund balances.

Committed fund balances are amounts that can only be used for specific purposes with constraints imposed by formal action of the City Council and do not lapse at year-end. This formal action consists of a written ordinance voted and approved by a majority of the City Council. For assigned fund balance classification, the City Manager with concurrence of the Deputy City Manager is authorized to assign amounts for a specific purpose as permitted by Section 9.12 of the City Charter. The restricted fund balance classification includes amounts that have constraints that are externally imposed (creditors, grantors, etc.) or imposed by enabling legislation. The non-spendable classification includes amounts that are not in spendable form or required to be maintained intact. The unassigned fund balance classification represents fund balance that has not been classified to another category.

The City considers an amount spent when the expenditure is incurred when restricted or unrestricted fund balances are available. In addition, the City considers an amount spent when the expenditure is incurred for purposes for which an amount in the committed, assigned, or unassigned amounts could be used. The City considers expenditures to be made from the most restrictive resources/funds when more than one classification is available.

The City has a minimum General Fund balance policy requirement. This policy established by resolution of the Council requires the General Fund unassigned fund balance to be 25% of the ensuing fiscal year's General Fund operating budget. The detailed fund balance classifications are as follows:

	General	Debt Service	Street Construction	Building Construction	TIRZ #1	Other Governmental Funds	Total Governmental Funds
Fund balances:							
Restricted:							
Debt service reserve	-	1,697,691	-	-	-	-	1,697,691
Parks debt service reserve	-	-	-	-	-	517,136	517,136
Street construction/improvements	-	-	24,222,359	-	-	-	24,222,359
Municipal building improvements	-	-	-	3,667,343	-	-	3,667,343
Parks and recreation	-	-	-	-	-	3,188,598	3,188,598
Other capital projects	-	-	-	-	2,963,075	-	2,963,075
Equipment /other purposes	-	-	-	-	-	1,451,406	1,451,406
COPS Grant						102,481	102,481
JAG Grant						71,000	71,000
Court seizure fund	-	-	-	-	-	77,911	77,911
Public infrastructure	-	-	-	-	-	2,036	2,036
Commited:							
Tree mitigation	-	-	-	-	-	27,461	27,461
Parks and recreation	-	-	-	-	-	1,755,398	1,755,398
Tourism promotion	-	-	-	-	-	992,477	992,477
Court security and technology	-	-	-	-	-	408,039	408,039
Animal control	-	-	-	-	-	74,030	74,030
Assigned:							
Permits	200,786	-	-	-	-	-	200,786
Library	-	-	-	-	-	97,087	97,087
Unassigned:	17,208,520	-	-	-	-	(337,702)	16,870,818
Total fund balances	17,409,306	1,697,691	24,222,359	3,667,343	2,963,075	8,427,358	58,387,132

The deficit fund balance in TIRZ #2, included in other governmental funds, will be satisfied with future TIRZ fund revenues or a subsidy from the General Fund.

13. Net Position:

Net position is classified and displayed in three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is excluded from the calculation of net investment in capital assets.

Restricted – Consists of assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. When an expense is incurred for purposes for which there are both restricted and unrestricted assets available, it is the City's policy to apply those expenses to restricted assets, to the extent such are available, and then to unrestricted assets.

Unrestricted – All other assets that constitute the components of net position that do not meet the definition of "restricted" or "investment in capital assets."

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide

statement of net position. One element of that reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds."

The details of this $229,745,268 difference are as follows:

Bonds payable	173,375,000
Premium on issuance of bonds	9,678,865
Discounts on issuance of bonds	(901,954)
Deferred loss on refunding	(2,641,100)
Accrued interest payable	936,217
Compensated absences	7,530,700
Deferred pension contributions	(3,289,904)
Deferred OPEB contributions	(31,975)
Deferred investment losses	(6,285,867)
Deferred assumption changes	(48,092)
Net pension liability	25,641,058
Net OPEB liability	31,986,834
Total OPEB liability - SDBF	917,323
Deferred pension expense	(7,934,328)
Deferred assumption changes	812,491
Net adjustment to reduce fund balance – total governmental funds to arrive at net position– governmental activities	$229,745,268

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $1,727,724 difference are as follows:

Capital outlay	$18,604,911
Depreciation expense	(16,877,187)
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$ 1,727,724

Another element of that reconciliation states "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position." The statement of activities reports contributions of capital assets. Conversely, the governmental funds do not report any contributions of capital assets. The $8,785,666 difference is as follows:

Net adjustment to increase changes in fund balances – total government funds to arrive at changes in net position of governmental activities	$ 8,785,666

Another element of that reconciliation states that "revenues recognizing future lease payments on a straight-line basis in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the funds." The $439,999 difference is as follows:

The statement of activities reports lease revenues to recognize future lease payments on a straight-line basis. However, governmental funds do not report lease revenues until they are available.	$439,999

Another element of that reconciliation states that "revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds". The ($674,566) difference is as follows:

The governmental funds defer revenue related to uncollected receivables. However, in the statement of activities, this is recognized in the current period.	($ 674,566)

Another element of that reconciliation states that "deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow until then." Deferred outflows are deferred pension contributions, deferred investment losses, deferred charges on refunding, and deferred pension expenses. The details of this $8,326,459 difference are as follows:

Changes in deferred pension contributions	$ 200,035
Changes in deferred OPEB contributions	(1,733,282)
Changes in deferred investment losses	3,879,886
Changes in deferred actuarial expense	6,300,979
Changes in deferred assumption changes	(8,619)
Changes in deferred loss on refunding	(312,540)
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$ 8,326,459

Another element of that reconciliation states that "deferred inflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an inflow until then." Deferred inflows are deferred pension contributions, and deferred rent. The details of this ($5,408,372) difference are as follows:

Changes in deferred investment gains	($5,141,868)
Changes in deferred assumption changes	(266,504)
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$ (5,408,372)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $(20,974,987) difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	$(13,750,000)
Premium on issuance of bonds	(178,750)

Accrued interest payable	(28,341)
Amortization of premiums/discounts	708,839
Compensated absences	(230,488)
Principal payments or payments to escrow agent	11,210,000
Change in net pension liability	(13,542,483)
Change in net OPEB liability	(4,995,875)
Change in total OPEB liability - SDBF	(167,889)
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$ (20,974,987)

III. Detailed Notes on All Funds

A. Deposits and Investments

As of September 30, 2019, the primary government had cash and cash equivalents of $42,305,420 and the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM):

Primary Government - Governmental Activities and Business-type Activities	Fair Value	WAM (Years)
Investment Type - Money Market Mutual Funds		
Total Fair Value and Weighted Average Maturity	$64,956,885	0.08

As of September 30, 2019, the Mansfield Economic Development Corporation had cash and cash equivalents of $5,552,706 and the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM)

Component Unit - Mansfield Economic Development Corporation	Fair Value	WAM (Years)
Investment Type - Money Market Mutual Funds		
Total Fair Value and Weighted Average Maturity	4,463,436	0.08

Money market accounts are marketable securities in active markets that have observable inputs and prices.

Interest Rate Risk –

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit Risk –

The City is authorized to invest in U.S. government obligations and its agencies or instrumentalities, obligations of Texas and its agencies, fully insured or collateralized certificates of deposit, fully collateralized direct repurchase agreements, government pools and money market funds consisting of any of these securities listed, and obligations of states, cities, and other political subdivisions with a rating of "A" or its equivalent. As of September 30, 2019, the City's investment in the money market mutual funds was rated "AAA" by Standard and Poor's and "Aaa" by Moody's Investment Service.

Custodial Credit Risk Deposits –

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy, which requires a collateralization level of 105% of market value less an amount insured by the FDIC.

Custodial Credit Risk Investments –

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has an investment policy, which requires a collateralization level of 105% of market value of principal and accrued interest on investments other than direct purchases of U.S. Treasuries or Agencies. The policy requires all investments held by outside parties for safekeeping in the name of the City or on behalf of the City.

Concentration of Credit Risk Investments –

The City's investment policy does not place a limit on the amount the City may invest in a single issuer because the City's investment policy limits the City's authorized investments. These authorized investments include any security backed by the federal government, the State of Texas, or political subdivision with an investment grade rating of "A" or better. The City's investment policy authorizes mutual funds, "AAA" rated only registered with the Securities and Exchange Commission available alternatives to previously listed authorized securities. At September 30, 2019, the City's investments are held in Bank of America Merrill Lynch Money Market Mutual Fund; and TexStar Participant Services. These investments are 35.92%; and 63.41% of the City's total investments. These money market mutual funds are invested in U.S. Treasury obligations, which are backed by the full faith and credit of the U.S. government.

B. Receivables

Receivables at September 30, 2019 consisted of the following:

	Governmental Funds				
	General	Debt Service	TIRZ #1	Non-major	Total
Receivables:					
Property Taxes	$ 837,496	$ 481,376	$ -	$ -	$1,318,872
Accounts	10,006,572	-	24,581	950,991	10,982,144
Gross Receivables	10,844,068	481,376	24,581	950,991	12,301,016
Less: Allowance for Uncollectible	(7,235,007)	(355,819)	-	-	(7,590,826)
Net Total Receivables	$ 3,609,061	$ 125,557	$ 24,581	$ 950,991	$ 4,710,190

	Proprietary Funds			
	Water & Sewer	Law Enforcement	Drainage Utility	Total
Receivables:				
Accounts	$7,324,955	$567,208	$ 438,103	$8,330,266
Other	150,024	-	-	150,024
Gross Receivables	7,474,979	567,208	438,103	8,480,290
Less: Allowance for Uncollectible	(1,187,597)	-	(76,036)	(1,263,633)
Net Total Receivables	$6,287,382	$567,208	$362,067	$7,216,657

The MEDC has a receivable in the amount of $488,327 as of September 30, 2019.

C. Capital Assets

Capital asset activity for the year ended September 30, 2019 is as follows:

Governmental activities:	Sept 30, 2018	Increases	Decreases	Sept 30, 2019
Capital assets, not being depreciated:				
Land	$ 101,730,579	$ 5,984,621	$ (30,102)	$ 107,685,098
Construction in progress	20,101,285	10,817,979	(18,097,093)	12,822,171
Total capital assets, not being depreciated	121,831,864	16,802,600	(18,127,195)	120,507,269
Capital assets, being depreciated:				
Buildings	104,520,682	3,512,538	-	108,033,220
Other improvements	27,760,820	741,781	-	28,502,601
Machinery and equipment	27,741,124	1,123,991	(221,946)	28,643,169
Infrastructure	383,685,076	23,354,778	-	407,039,854
Total capital assets, being depreciated	543,707,702	28,733,088	(221,946)	572,218,844
Less accumulated depreciation for:				
Buildings	(13,868,702)	(1,588,594)	-	(15,457,296)
Other improvements	(16,079,498)	(2,031,803)	-	(18,111,301)
Machinery and equipment	(17,810,848)	(1,114,274)	204,030	(18,721,092)
Infrastructure	(193,490,251)	(12,142,516)	-	(205,632,767)
Total accumulated depreciation	(241,249,299)	(16,877,187)	204,030	(257,922,456)
Total capital assets being depreciated, net	302,458,403	11,855,901	(17,916)	314,296,388
Governmental activities capital assets, net	$ 424,290,267	$ 28,658,501	$ (18,145,111)	$ 434,803,657

Business-type activities:	Sept 30, 2018	Increases	Decreases	Sept 30, 2019
Capital assets, not being depreciated:				
Land	$ 2,271,603	$ -	$ -	$ 2,271,603
Construction in progress	13,387,042	4,257,199	(12,916,967)	4,727,274
Total capital assets, not being depreciated	15,658,645	4,257,199	(12,916,967)	6,998,877
Capital assets, being depreciated:				
Buildings and systems	182,385,773	13,433,258	-	195,819,031
Improvements other than buildings	2,751,409	76,132	-	2,827,541
Machinery and equipment	5,442,788	442,274	(146,521)	5,738,541
Infrastructure	60,343,588	3,968,414	-	64,312,002
Total capital assets, being depreciated	250,923,558	17,920,078	(146,521)	268,697,115
Less accumulated depreciation for:				
Buildings and systems	(45,398,029)	(3,476,041)	-	(48,874,070)
Improvements other than buildings	(416,290)	(43,026)	-	(459,316)
Machinery and equipment	(3,831,031)	(362,047)	123,908	(4,069,170)
Infrastructure	(18,252,396)	(1,201,448)	-	(19,453,844)
Total accumulated depreciation	(67,897,746)	(5,082,562)	123,908	(72,856,400)
Total capital assets being depreciated, net	183,025,812	12,837,516	(22,613)	195,840,715
Business-type activities capital assets, net	$ 198,684,457	$ 17,094,715	$ (12,939,580)	$202,839,592

D. Capital assets continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	$ 1,230,747
Public Safety	1,191,169
Public Works	12,217,645
Culture and Recreation	2,237,626
Total Depreciation Expense – Governmental Activities	$16,877,187
Business-Type Activities:	
Water and Sewer	$ 4,681,516
Law Enforcement Center	237,335
Drainage Utility Fund	163,711
Total Depreciation Expense – Business-Type Activities	$ 5,082,562

Construction Commitments

The general government had outstanding commitments at September 30, 2019, under authorized construction contracts of approximately $1,791,552. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources. These outstanding commitments relate to the major funds.

The MPFDC had outstanding commitments at September 30, 2019, under authorized construction contracts of approximately $1,629,319. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources.

The Water and Sewer Fund had outstanding commitments at September 30, 2019, under authorized construction contracts of approximately $12,100,691. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources.

The Drainage Fund had no outstanding commitments at September 30, 2019.

Discretely Presented Component Unit

Activity for the MEDC for the year ended September 30, 2019 was as follows:

Mansfield Economic Development Corporation:	Sept 30, 2018	Increases	Decreases	Sept 30, 2019
Capital assets, not being depreciated:				
Land	$ 12,325,640	$ -	$ (2,053,450)	$ 10,272,190
Construction in progress	15,822,820	1,750,458	-	17,573,278
Total capital assets, not being depreciated	28,148,460	1,750,458	(2,053,450)	27,845,468
Capital assets, being depreciated:				
Other Improvements	167,248	-	-	167,248
Machinery and equipment	72,312	-	-	72,312
Total capital assets, being depreciated	239,560	-	-	239,560
Less accumulated depreciation for:				
Other improvements	(73,220)	(3,052)	-	(76,272)
Machinery and equipment	(72,312)	-	-	(72,312)
Total accumulated depreciation	(145,532)	(3,052)	-	(148,584)
Total capital assets being depreciated, net	94,028	(3,052)	-	90,976
MEDC capital assets, net	$ 28,242,488	$ 1,747,406	$ (2,053,450)	$ 27,936,444

The MEDC had no outstanding commitments at September 30, 2019.

E. Deferred Outflows and Inflows of Resources

The City has five items that qualify for this category. Deferred pension/OPEB contributions relate to contributions made by the City after the measurement date so they are deferred and recognized in the upcoming fiscal year. Deferred investment losses are the differences in the projected and actual earnings on the pension/OPEB assets. This difference is deferred and amortized over a closed five year period. Deferred actuarial expense is the difference in the expected and actual pension experience. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred assumption changes are differences arising from a change in actuarial assumptions and are deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred loss on refunding are the differences in carrying value of

the refunded debt compared to its acquisition price. This difference is deferred and amortized over the remaining life of the refunded debt.

The City has two types of deferred inflows of resources. Deferred assumption changes are differences arising from a change in actuarial assumptions and are deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred gain on refunding is the differences in carrying value of the refunded debt compared to its acquisition price. This difference is deferred and amortized over the remaining life of the refunded debt. Prepaid rent is rent paid in advance for the Stars Center. This balance is amortized monthly according to the contract. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. Due to/Due from

The composition of the due to/due from balances as of September 30, 2019 is as follows:

Fund	Due to	Due from
General Fund	$558,010	$ -
TIRZ #2	-	558,010
TOTAL	$558,010	$558,010

G. Interfund Transfers

The composition of interfund balances as of September 30, 2019 is as follows:

Fund	Transfers In	Transfers Out
General Fund	$1,963,663	$3,187,154
Building Construction	481,223	-
MPFDC	697,876	12,739
Parks Construction	12,739	240,380
Equipment Replacement	1,339,766	-
Law Enforcement Center	908,667	-
TIRZ #1	-	296,200
Water and Sewer Fund	-	1,667,461
TOTAL	$5,403,934	$5,403,934

The General Fund received a transfer from the Water and Sewer Fund for a payment-in-lieu of taxes, in the amount of $1,667,461, for services provided as part of the City's ordinary government.

Interfund activity from the General Fund, Building Construction Fund, and the non-major funds is for the purpose of purchase, construction, and improvements of capital assets for government-wide purposes. These transfers are budgeted annually. The unexpended funds within the non-major funds generally are reappropriated upon the adoption of the next fiscal year's budget. These interfund transfers within the Governmental Fund Types are eliminated upon the reporting of government-wide financial statements.

H. Long-Term Debt

Governmental Activities -

General Obligation Bonds, Loans, and Certificates of Obligation

The general obligation bonds, loans, and certificates of obligation are serial and term debt collateralized by the full faith and credit of the City and are payable from property taxes. The debt matures annually in varying amounts through 2041, and interest is payable semiannually. Proceeds of general obligation bonds are recorded in the Capital Projects Funds and are restricted to the use for which they were approved in the bond elections. Certificates of obligation bonds and loan proceeds are recorded in the appropriate fund for which the debt was issued and approved by the City. The City Charter expressly prohibits the use of bond proceeds to fund operating expenditures.

In 2013, the City issued $4,200,000 in General Obligation Refunding Bonds, Series 2013, for the purpose of refunding $4,505,000 of the City's outstanding debt. The bonds of $4,200,000 plus premiums of $418,231, less discounts of $26,939 and less issuance costs of $86,000 were used to refund a portion of the City's outstanding debt.

The City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $99,624 and resulted in an economic gain of $712,222. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $44,353 at September 30, 2019.

In 2013, the City issued $2,880,000 in General Obligation Refunding Bonds, Series 2013, for the purpose of refunding $2,915,000 of the City's outstanding debt. The bonds of $2,880,000 plus premiums of $120,815, less discounts of $20,667 and less issuance costs of $68,262 were used to refund a portion of the City's outstanding debt.

The City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $76,966 and resulted in an economic gain of $464,895. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $25,866 at September 30, 2019.

In 2014, the City issued $16,500,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2014, for the purpose of construction of street improvements and building improvements. The bonds of $16,500,000 plus premiums of $234,249, less discounts of $109,661 and less issuance costs of $125,247 were used to construct and design street improvements and building improvements.

In 2014, the City issued $1,255,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2014A, for the purpose of purchasing equipment and building improvements. The bonds of $1,255,000 plus premiums of $24,276, less discounts of $13,534 and less issuance costs of $10,742 were used to purchase equipment and building improvements.

In 2014, the City issued $6,710,000 in General Obligation Refunding Bonds, Series 2014, for the purpose of refunding $6,610,000 of the City's outstanding debt. The bonds of $6,710,000 plus premiums of $192,313, less discounts of $33,333 and less issuance costs of $103,837 were used to refund a portion of the City's outstanding debt.

The City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $153,534 and resulted in an economic gain of $450,680. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $0 at September 30, 2019.

In 2015, the City issued $15,870,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2015, for the purpose of construction of street improvements and building improvements.

The bonds of $15,870,000 plus premiums of $2,223,562, less discounts of $100,908 and less issuance costs of $142,655 were used to construct and design street improvements and to purchase equipment.

In 2015, the City issued $11,700,000 in General Obligation Refunding Bonds, Series 2015, for the purpose of refunding $12,940,000 of the City's outstanding debt. The bonds of $11,700,000 plus premiums of $1,773,891, less discounts of $68,304 and less issuance costs of $136,800 were used to refund a portion of the City's outstanding debt.

The City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $708,384 and resulted in an economic gain of $1,035,085. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $432,902 at September 30, 2019.

In 2016, the City issued $13,705,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2016, for the purpose of construction of street improvements and building improvements. The bonds of $13,705,000 plus premiums of $2,078,521, less discounts of $86,147 and less issuance costs of $127,374 will be used to construct and design street improvements and to purchase equipment.

In 2016, the City issued $14,885,000 in General Obligation Refunding and Improvements Bonds, Series 2016, for the purpose of refunding $14,475,000 of the City's outstanding debt. The bonds of $14,885,000 plus premiums of $2,510,526, less discounts of $92,270 and less issuance costs of $148,038 were used to refund a portion of the City's outstanding debt and to fund municipal library improvements.

The City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $1,545,218 and resulted in an economic gain of $1,942,477. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $1,261,928 at September 30, 2019.

In 2016, the City issued $3,770,000 in General Obligation Refunding, Series 2016 for the purpose of refunding $3,550,000 of the City's outstanding debt. The bonds of $3,550,000 less discounts of $23,640 and less issuance costs of $54,832 were used to refund a portion of the City's outstanding debt.

In 2016, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $312,126 and resulted in an economic gain of $493,265. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $216,754 at September 30, 2019.

In 2017, the City issued $18,975,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2017, for the purpose of construction of street improvements and building improvements. The bonds of $18,975,000 plus premiums of $696,455 and less issuance costs of $171,455 will be used to construct and design street improvements and to purchase equipment.

In 2017, the City issued $2,960,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2017, for the purpose of construction of a public recreational facility. The bonds of $2,960,000 less discounts of $19,340 and less issuance costs of $85,660 will be used to construct and design a public recreational ice skating facility.

In 2018, the City issued $15,960,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2018, for the purpose of construction of street improvements, land acquisition, purchase of equipment and building improvements. The bonds of $15,960,000 plus premiums of $1,060,344 and less

issuance and discount costs of $264,140 will be used to construct and design street improvements, land acquisition, purchase equipment and building improvements.

In 2019, the City issued $13,750,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2019. The bonds of $13,750,000 plus premiums of $178,750 and less issuance costs of $175,750 will be used for the purpose of construction of street improvements, land acquisition, purchase of equipment, and building improvements.

As of September 30, 2019 there was $-0- of defeased debt outstanding related to the General Obligation Bonds.

The total amount of deferred loss on refunding for the governmental bonds was $2,641,100 at September 30, 2019.

General obligation debt outstanding at September 30, 2019 comprises the following issues:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2009 GO Refunding	3.00% to 4.00%	2022	10,400,000	2,480,000
2011 GO Refunding	2.00% to 4.00%	2022	9,730,000	1,935,000
2011 CO	2.00% to 5.00%	2025	3,090,000	2,125,000
2012 GO Refunding	2.00% to 3.13%	2025	5,855,000	4,870,000
2012 CO	2.00% to 4.00%	2032	3,415,000	2,470,000
2012A CO	3.49% to 4.65%	2032	3,075,000	2,265,000
2013 CO	2.00% to 4.00%	2033	5,335,000	4,055,000
2013 GO Refunding	2.00% to 4.00%	2025	4,200,000	2,565,000
2013A GO Refunding	2.00% to 3.00%	2023	2,880,000	1,325,000
2014 CO	2.50% to 4.38%	2034	16,500,000	13,880,000
2014A CO	2.00% to 4.13%	2034	1,255,000	1,055,000
2015 CO	2.00% to 5.00%	2035	15,870,000	13,470,000
2015 GO Refunding	4.00% to 5.00%	2027	11,700,000	7,190,000
2016 GO Refunding	1.35% to 3.71%	2028	3,770,000	3,105,000
2016 CO	2.00% to 5.00%	2036	13,705,000	12,315,000
2016 GO	2.00% to 5.00%	2036	14,885,000	13,360,000
2016A CO	1.25% to 3.90%	2041	2,960,000	2,780,000
2017 CO	3.00% to 5.00%	2037	18,975,000	17,735,000
2018 CO	3.00% to 4.00%	2038	15,960,000	15,385,000
2019 CO	3.00% to 4.00%	2039	13,750,000	13,750,000
TOTAL				$138,115,000

Annual debt service requirements to maturity for general obligation debt, including interest of $45,747,044, are as follows:

Fiscal Year	Principal	Interest	Total
2020	9,925,000	5,432,275	15,357,275
2021	9,825,000	5,068,487	14,893,487
2022	9,535,000	4,701,274	14,236,274
2023	9,120,000	4,331,806	13,451,806
2024	9,490,000	3,966,030	13,456,030
2025-2029	40,470,000	14,351,669	54,821,669
2030-2034	33,800,000	6,649,866	40,449,866
2031-2039	15,595,000	1,231,694	16,826,694
2040-2044	355,000	13,943	368,943
TOTAL	$138,115,000	$45,747,044	$183,862,044

Special Sales Tax Revenue Bonds

The Special Sales Tax Revenue Bonds are special limited obligations of the MPFDC payable from proceeds of an additional ½ of 1% sales and use tax levied by the City. The bonds are serial obligations payable annually in varying amounts with interest payable semiannually. The proceeds of these bonds are to be used for their legal purposes as prescribed in the statutes of the State of Texas.

In 2018, the City issued $2,325,000 in Revenue Improvements Bonds, Taxable Series 2018 for the purpose of construction and equipping a public recreational facility. The bonds of $2,325,000 plus premiums of $126,944 less discounts of $15,767 and less issuance costs of $86,177 will be used to construct and design an administrative building.

In 2018, the City issued $3,785,000 in Revenue Improvements Bonds, Series 2018 for the purpose of construction of an administrative building. The bonds of $3,785,000 less discounts of $29,113 and less issuance costs of $105,887 will be used to construct and equip a public recreational ice skating facility.

As of September 30, 2019 there was $-0- of defeased debt outstanding related to the Sales Tax Revenue Bonds.

Special Sales Tax Revenue and Revenue Refunding Bonds outstanding at September 30, 2019 are as follows:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012	2.00% to 3.25%	2024	4,995,000	1,630,000
2016	2.00% to 4.00%	2035	6,775,000	5,580,000
2016	1.05% to 4.83%	2040	14,930,000	14,215,000
2016A	1.50% to 2.95%	2041	8,295,000	7,810,000
2018	3.00% to 4.00%	2043	2,325,000	2,275,000
2018	2.54% to 4.35%	2043	3,785,000	3,750,000
TOTAL				$35,260,000

Debt service requirements to maturity for Special Sales Tax Revenue Bonds, including interest of $16,156,608, are as follows:

Fiscal Year	Principal	Interest	Total
2020	1,815,000	1,344,861	3,159,861
2021	1,855,000	1,298,358	3,153,358
2022	1,910,000	1,247,861	3,157,861
2023	1,965,000	1,192,847	3,157,847
2024	2,030,000	1,134,077	3,164,077
2025-2029	7,860,000	4,725,388	12,585,388
2030-2034	7,245,000	3,329,494	10,574,494
2035-2039	7,785,000	1,675,867	9,460,867
2040-2044	2,795,000	207,855	3,002,855
TOTAL	$35,260,000	$16,156,608	$51,416,608

Changes in long-term liabilities

Long-term debt activity for the year ended September 30, 2019 was as follows:

	Balance Beginning of Year	Increase	Decrease	Balance End of Year	Due Within One Year
General Obligation Bonds	$ 133,905,000	$ 13,750,000	$ (9,540,000)	$ 138,115,000	$ 9,925,000
Sales Tax Revenue Bonds	36,930,000	-	(1,670,000)	35,260,000	1,815,000
Deferred Amounts:					
Premiums	10,300,959	178,750	(800,844)	9,678,865	757,977
Discounts	(993,959)	-	92,005	(901,954)	(84,654)
Total bonds payable	180,142,000	13,928,750	(11,918,839)	182,151,911	12,413,323
Compensated absences	7,300,212	2,297,623	(2,067,135)	7,530,700	2,379,273
Total	$ 187,442,212	$ 16,226,373	$ (13,985,974)	$ 189,682,611	$ 14,792,596
Net Pension Liability	$ 12,098,574	$ 13,542,484	$ -	$ 25,641,058	
Net OPEB Liability	26,990,959	10,523,911	(5,528,036)	31,986,834	
Total OPEB Liability - SDBF	749,435	222,108	(54,220)	917,323	
Total pension & OPEB liabilities	$ 39,838,968	$ 24,288,503	$ (5,582,256)	$ 58,545,215	

For the governmental activities, compensated absences are generally liquidated by the general fund or the respective special sales tax fund.

Business-Type Activities -

Water and Sewer Fund

The water and sewer fund revenue bonds are payable from the gross revenues of the water and sewer system. Gross revenues are to be used first-to-pay operating and maintenance expenses of the system, and second, to maintain revenue bond funds in accordance with the bond covenants. Remaining revenues may then be used for any lawful purpose. The debt matures annually in varying amounts through 2035, and interest is payable semiannually.

Waterworks and Sewer System Refunding and Revenue Bonds

In 2011, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $104,513 and resulted in an economic gain of $53,332. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $57,757 at September 30, 2019.

In 2012, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $195,970 and resulted in an economic gain of $192,727. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $69,406 at September 30, 2019.

In 2015, the City issued $9,540,000 in Revenue Refunding Bonds, Series 2015 for the purpose of refunding $9,875,000 of the City's outstanding debt. The bonds of $9,540,000 plus premiums of $953,667, less discounts of $49,493 and less issuance costs of $135,100 were used to refund a portion of the City's outstanding debt.

In 2015, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $427,370 and resulted in an economic gain of $534,193. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $261,171 at September 30, 2019.

In 2016, the City issued $24,510,000 in Revenue Refunding & Improvements Bonds, Series 2016 for the purpose of refunding $18,430,000 of the City's outstanding debt. The bonds of $24,510,000 plus premiums of $4,057,204, less discounts of $146,376 and less issuance costs of $202,794 were used to refund a portion of the City's outstanding debt along with funding water and sewer infrastructure costs.

In 2016, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $2,788,035 and resulted in an economic gain of $3,081,707. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $2,249,993 at September 30, 2019.

The total amount of defeased debt outstanding related to Water/Sewer Bonds as of September 30, 2019 was $-0-.

The total amount of deferred loss on refunding for the water and sewer revenue bonds was $2,638,327 at September 30, 2019.

Water and sewer fund debt outstanding at September 30, 2019 comprises the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2009	3.00% to 4.50%	2030	$2,585,000	$1,645,000
2011	2.00% to 5.00%	2030	13,995,000	7,180,000
2012	2.00% to 3.00%	2023	2,320,000	890,000
2015	2.00% to 5.00%	2027	9,540,000	3,730,000
2016	2.00% to 5.00%	2035	24,510,000	20,815,000
TOTAL				$34,260,000

Debt service requirements to maturity for water and sewer fund debt, including interest of $9,721,919, are as follows:

Fiscal Year	Principal	Interest	Total
2020	3,180,000	1,554,834	4,734,834
2021	3,300,000	1,435,871	4,735,871
2022	3,440,000	1,291,871	4,731,871
2023	3,065,000	1,141,034	4,206,034
2024	2,970,000	1,002,709	3,972,709
2025-2029	15,010,000	2,898,025	17,908,025
2030-2034	2,840,000	379,375	3,219,375
2035-2039	455,000	18,200	473,200
TOTAL	$34,260,000	$9,721,919	$43,981,919

Law Enforcement Center

The Authority issued mortgage revenue bonds in 1989 to construct a 48-bed detention facility and administrative offices, for City use, and a 96-bed detention facility for surrounding agencies use (the Law Enforcement Complex). In 1991, the Authority purchased a 3.2-acre tract of land adjacent to the Law Enforcement Complex with proceeds from a property acquisition note, for future expansion. In 1993, additional mortgage revenue bonds were issued for a 96-bed expansion of the Law Enforcement Center, which was completed in January 1995.

Refunding Bonds

In 2016, the City issued $595,000 in General Obligation Refunding, Series 2016 for the purpose of refunding $555,000 of the City's outstanding debt. The bonds of $595,000 less discounts of $3,731 and less issuance costs of $8,654 were used to refund a portion of the City's outstanding debt.

In 2016, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $49,261 and resulted in an economic gain of $77,850. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $14,078 at September 30, 2019.

Law Enforcement Center Fund debt outstanding at September 30, 2019 comprises the following issue:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2016 GO	1.35% to 3.71%	2028	595,000	490,000
TOTAL				$490,000

Debt service requirements to maturity for Law Enforcement Center debt, including interest of $78,170, are as follows:

Fiscal Year	Principal	Interest	Total
2020	45,000	14,685	59,685
2021	50,000	13,538	63,538
2022	50,000	12,210	62,210
2023	55,000	10,729	65,729
2024	50,000	9,177	59,177
2025-2029	240,000	17,831	257,831
TOTAL	$490,000	$78,170	$568,170

Drainage Utility Fund

The Drainage Utility Fund revenue bonds are payable from the gross revenues of the drainage utility system. Gross revenues are to be used first to pay operating and maintenance expenses of the system, and second, to maintain revenue bond funds in accordance with the bond covenants. Remaining revenues may then be used for any lawful purpose. The debt matures annually in varying amounts through 2027, and interest is payable semiannually.

In 2012, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $285,920 and resulted in an economic gain of $333,855. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the

straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $119,133 at September 30, 2019.

The total amount of deferred loss on refunding for the Drainage Utility bonds was $119,133 at September 30, 2019.

Drainage Utility Fund debt outstanding at September 30, 2019 comprises the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2007	4.00% to 4.30%	2027	$2,200,000	$1,095,000
2012	2.00% to 3.13%	2024	3,740,000	1,650,000
TOTAL				$2,745,000

Debt service requirements to maturity for Drainage Utility debt, including interest of $371,073, are as follows:

Fiscal Year	Principal	Interest	Total
2020	430,000	97,070	527,070
2021	440,000	79,750	519,750
2022	460,000	66,710	526,710
2023	475,000	52,175	527,175
2024	490,000	36,238	526,238
2025-2029	450,000	39,130	489,130
TOTAL	$2,745,000	$371,073	$3,116,073

Changes in business-type activity debt

A summary of business-type activity debt transactions, including activity for the year ended September 30, 2019, is as follows:

	Balance Beginning of Year	Increase	Decrease	Balance End of Year	Due Within One Year
Water/Sewer Revenue Bonds	$ 38,135,000	$ -	$ (3,875,000)	$ 34,260,000	$ 3,180,000
LEC Certificates of Obligation	540,000	-	(50,000)	490,000	45,000
Drainage Utility Revenue Bonds	3,165,000	-	(420,000)	2,745,000	430,000
Deferred Amounts:					
Premiums	4,236,142	-	(304,965)	3,931,177	304,965
Discounts	(237,234)	-	20,812	(216,422)	(20,812)
Total bonds payable	45,838,908	-	(4,629,153)	41,209,755	3,939,153
Compensated absences	2,006,344	813,488	(595,006)	2,224,826	684,851
Total	$ 47,845,252	$ 813,488	$ (5,224,159)	$ 43,434,581	$ 4,624,004
Net Pension Liability	$ 4,319,257	$ 2,405,052	$ -	$ 6,724,309	
Net OPEB Liability	10,299,773	1,181,853	(1,691,885)	9,789,741	
Total OPEB Liability - SDBF	269,223	115,494	(131,804)	252,913	
Total pension & OPEB liabilities	$ 14,888,253	$ 3,702,399	$ (1,823,689)	$ 16,766,963	

For financial reporting purposes, the unamortized premiums and discounts have been netted against total bonds outstanding.

The Business-Type Activity long-term debt will be repaid, plus interest, from the operating revenues derived primarily from water sales, sewer service charges, and drainage service charges and from revenues derived from housing other agencies' prisoners or operating transfers from the general fund.

Discretely Presented Component Unit

Mansfield Economic Development Corporation

The Sales Tax Revenue Refunding Bonds are special limited obligations of the MEDC payable from proceeds of an additional ½ of 1% sales and use tax levied by the City. The bonds are serial obligations payable annually in varying amounts with interest payable semiannually.

In 2015, the City issued $2,880,000 in Revenue Refunding Bonds, Series 2015 for the purpose of refunding $2,880,000 of the City's outstanding debt. The bonds of $2,880,000 plus premiums of $171,114, less discounts of $17,011 and less issuance costs of $77,121 were used to refund a portion of the City's outstanding debt.

In 2015, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $75,079 and resulted in an economic gain of $291,881. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $36,149 at September 30, 2019.

In 2015, the City issued $5,630,000 in Revenue Refunding Taxable Bonds, Series 2015 for the purpose of refunding $5,305,000 of the City's outstanding debt. The bonds of $5,630,000 less discounts of $32,775 and less issuance costs of $113,738 were used to refund a portion of the City's outstanding debt.

In 2015, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $174,946 and resulted in an economic gain of $710,459. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $84,233 at September 30, 2019.

In 2017, the City issued $14,125,000 in Revenue Improvements Bonds, Series 2017 for the purpose of construction of a public recreational facility. The bonds of $14,125,000 plus premiums of $1,141,332, less discounts of $84,063 and less issuance costs of $182,270 will be used to construct and design street improvements and building improvements.

In 2018, the City issued $6,200,000 in Revenue Improvements Bonds, Series 2018 for the purpose of land acquisition and infrastructure improvements. The bonds of $6,200,000, less discounts of $44,099 and less issuance costs of $155,902 will be used for land acquisition and infrastructure improvements.

There was $-0- of outstanding defeased debt as September 30, 2019.

The total amount of deferred loss on refunding for the MEDC bonds was $120,384 at September 30, 2019.

MEDC debt outstanding at September 30, 2019 comprises the following issues:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012	2.00% to 4.00%	2032	$3,090,000	$2,190,000
2015A	0.50% to 3.55%	2024	5,630,000	2,935,000
2015	2.00% to 4.00%	2024	2,880,000	1,520,000
2016	2.00% to 4.00%	2036	14,125,000	12,450,000
2018	2.52% to 4.29%	2038	6,200,000	6,075,000
TOTAL				$25,170,000

Debt service requirements to maturity for MEDC debt, including interest of $8,294,592, are as follows:

Fiscal Year	Principal	Interest	Total
2020	1,740,000	911,126	2,651,126
2021	1,795,000	868,484	2,663,484
2022	1,850,000	810,857	2,660,857
2023	1,905,000	748,848	2,653,848
2024	1,980,000	680,028	2,660,028
2025-2029	5,775,000	2,611,617	8,386,617
2030-2034	6,550,000	1,391,980	7,941,980
2035-2039	3,575,000	271,652	3,846,652
TOTAL	$25,170,000	$8,294,592	$33,464,592

Changes in MEDC Debt

A summary of MEDC debt transactions, including activity for the year ended September 30, 2019, is as follows:

	Balance Beginning of Year	Increase	Decrease	Balance End of Year	Due Within One Year
MEDC Revenue Bonds	$ 26,775,000	$ -	$ (1,605,000)	$ 25,170,000	$ 1,740,000
Deferred Amounts:					
Premiums	1,164,062	-	(66,653)	1,097,409	66,653
Discounts	(178,867)	-	13,394	(165,473)	(13,394)
Total bonds payable	27,760,195	-	(1,658,259)	26,101,936	1,793,259
Compensated absences	64,305	27,695	(17,927)	74,073	20,634
Total Noncurrent Liabilties	$ 27,824,500	$ 27,695	$ (1,676,186)	$ 26,176,009	$ 1,813,893
Net Pension Liability	$ 192,212	$ 43,651	$ -	$ 235,863	
Net OPEB Liability	217,548	63,333	(41,389)	239,492	
Total OPEB Liability - SDBF	12,059	39,786	(43,003)	8,842	
Total pension & OPEB liabilities	$ 421,819	$ 146,770	$ (84,392)	$ 484,197	

I. Restricted Assets

The restricted assets of the Business-type Activities as of September 30, 2019 included the following legal use restrictions.

Enterprise Fund	Revenue Bond Sinking and Reserve Fund	Bond Construction Fund	Inmate Trust Fund	Total
Water and Sewer Fund	$4,446,147	$8,805,934	$ -	$13,252,081
Law Enforcement Complex	22,060	10,482	183,894	216,436
Drainage Utility	82,062	-	-	82,062
TOTAL	$4,550,269	$8,816,416	$183,894	$13,550,579

The ordinance authorizing the issuance of Water and Sewer System revenue bonds requires that the City establish a sinking fund (Revenue Bond Sinking and Reserve Fund) in an amount not less than the average annual requirement for the payment of principal and interest on all the revenue bonds. At September 30, 2019, the sinking fund balance is sufficient to satisfy such bond ordinance requirements. The bond ordinance also contains provisions, which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amounts and the pledged revenues are equal to or greater than 1.25 times the average annual debt service requirements after giving effect to the proposed additional bonds and any proposed rate increases. In addition, the bond ordinance requires that the annual gross revenues of the Water and Sewer System, less annual operation and maintenance expenses (excluding depreciation and amortization expense), be at least 1.10 times the annual principal and interest requirements of all the outstanding revenue bonds.

The ordinance further requires that the proceeds from the sale of revenue bonds be expended for certain capital improvements to the Water and Sewer System. The unspent proceeds are maintained as restricted assets until such time as needed to fund the Water and Sewer System construction program.

The ordinance authorizing the issuance of the Certificates of Obligation requires that the City establish an interest and sinking fund to provide for principal and interest requirements as they become due.

J. Retirement Plan

Plan Description:

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided:

TMRS provides retirement, disability, and death benefits. Benefits provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2017	**Plan Year 2018**
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Employees covered by benefit terms:

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	196
Inactive employees entitled to but not yet receiving benefits	185
Active employees	486
Total	867

Contributions:

The contribution rates for employees in TMRS is 7% of employee gross earnings, and the city matching percentage is 14.95%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of the benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their gross earnings during the fiscal year. The contribution rates for the City were 14.94% and 14.95% in calendar years 2018 and 2019 respectively. The City's contributions to TMRS as of September 30, 2019 were $5,672,743 and were equal to the required contributions.

Net Pension Liability:

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in December 31, 2013 valuation, along with a change to the EAN actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in the statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Positon (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	$ 160,939,483	$ 144,329,440	$ 16,610,043
Changes for the year:			
Service Cost	6,781,902	-	6,781,902
Interest	10,919,655	-	10,919,655
Change in benefit terms	-	-	-
Difference between expected and actual experience	2,214,327	-	2,214,327
Changes of assumptions	-	-	-
Contributions - employer	-	5,679,463	(5,679,463)
Contributions - employee	-	2,661,060	(2,661,060)
Net investment income	-	(4,327,905)	4,327,905
Benefit payments, including refunds of employee contributions	(5,115,537)	(5,115,537)	-
Administrative expense	-	(83,556)	83,556
Other changes	-	(4,365)	4,365
Net changes	$ 14,800,347	$ (1,190,840)	$ 15,991,187
Balance at 12/31/2018	$ 175,739,830	$ 143,138,600	$ 32,601,230

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	$ 60,432,763	$ 32,601,230	$ 9,999,191

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2019, the City recognized expense of $8,856,150.

At September 30, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Schedule of Outflows and Inflows - Current and Future Expense

Due to Liabilities:	Recognition Period (or Amortization yrs)	Total (Inflow) or Outflow of Resources	2019 Recognized in current pension expense	Deferred (Inflow)/Outflow in future expense
2014 Difference in expected and actual experience actuarial (gains) or losses	2.9001	$ 30,492	$ 10,515	$ 19,977
2015 Difference in expected and actual experience actuarial (gains) or losses	3.7300	$ 89,860	$ 24,091	65,769
2016 Difference in expected and actual experience actuarial (gains) or losses	4.7900	$ 1,387,711	$ 289,710	1,098,001
2017 Difference in expected and actual experience actuarial (gains) or losses	5.7300	$ 734,942	$ 128,262	606,680
2018 Difference in expected and actual experience actuarial (gains) or losses	6.4200	$ 2,214,327	$ 344,911	1,869,416
			$ 797,489	$ 3,659,843
2015 Difference in assumption changes	3.7300	(371,347)	(99,557)	(271,790)
			$ (99,557)	$ (271,790)
Due to Assets:				
2014 Difference in projected and actual earnings on pension plan investments actuarial (gains) or losses	1.000	250,457	250,457	-
2015 Difference in projected and actual earnings on pension plan investments actuarial (gains) or losses	2.000	2,952,125	1,476,062	1,476,063
2016 Difference in projected and actual earnings on pension plan investments actuarial (gains) or losses	3.000	(8,614)	(2,872)	(5,742)
2017 Difference in projected and actual earnings on pension plan investments actuarial (gains) or losses	4.000	(7,062,550)	(1,765,638)	(5,296,912)
2018 Difference in projected and actual earnings on pension plan investments actuarial (gains) or losses	5.000	14,070,142	2,814,028	11,256,114
			$ 2,772,037	$ 7,429,523
Total				$ 10,817,576

$4,186,161 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net deferred outflows (inflows) of resources
2020	$ 3,219,513
2021	1,742,399
2022	1,756,186
2023	3,516,074
2024	438,543
Thereafter	144,861
Total	$10,817,576

K. Supplemental Death Benefits

The City also participates in the single-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected by ordinance to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated in a trust meeting the criteria in paragraph 4 of GASB Statement No. 75). TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	155
Inactive employees entitled to but not yet receiving benefits	38
Active employees	486
Total	679

Contributions:

The contribution rates for employees in SDBF is .02% of employee gross earnings, and the city matching percentages is .15%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the EAN actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

Employees for the City were required to contribute .02% of their gross earnings during the fiscal year. The contribution rates for the City were .15% and .15% in calendar years 2018 and 2019 respectively. The City's contributions to SDBF as of September 30, 2019 were $56,361 and were equal to the required contributions.

Total OPEB Liability - SDBF:

The City's total OPEB Liability - SDBF was measured and determined by an actuarial valuation as of December 31, 2018.

Actuarial Assumptions:

The total OPEB Liability - SDBF in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5% per year, including inflation
Discount rate	3.71%, based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018
Retirees' share of benefit-related costs	$0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates- disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

Changes in the total OPEB liability - SDBF:

	Total OPEB Liability (SDBF)
Balance at 12/31/2017	$ 1,030,717
Changes for the year:	
Service Cost	57,023
Interest	34,935
Differences between expected and actual experience	145,354
Changes in assumptions or other inputs	(81,348)
Benefit payments*	(7,603)
Net changes	148,361
Balance at 12/31/2018	$ 1,179,078

*Due to the SDBF being considered an unfunded SDBF plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the total OPEB liability - SDBF to changes in the discount rate:

The following presents the total OPEB liability - SDBF of the City, calculated using the discount rate of 3.71%, as well as what the City's total OPEB liability - SDBF would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

	1% Decrease in Discount Rate (2.71%)	Discount Rate (3.71%)	1% Increase in Discount Rate (4.71%)
Total OPEB Liability -SDBF	$ 1,400,162	$ 1,179,078	$ 1,008,727

OPEB Plan Fiduciary Net Position:

Detailed information about the plan's fiduciary net position is available in a separately issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (SDBF):

For the year ended September 30, 2019, the City recognized expense of $110,998.

At September 30, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Schedule of Outflows and Inflows - Current and Future Expense

Due to Liabilities:	Recognition Period (or Amortization yrs)	Total Remaining (Inflow) or Outflow of Resources	2019 Recognized in current OPEB expense	Deferred (Inflow)/Outflow in future expense
2018 Change in assumptions	8.0400	$ (81,348)	$ (10,118)	$ (71,230)
2017 Change in assumptions	7.0400	77,997	11,079	66,918
2018 Difference in expected and actual experience	8.0400	145,354	18,079	127,275
			$ 19,040	$ 122,963

$42,002 was reported as deferred outflows of resources related to OPEB (SDBF) resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability - SDBF for the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB (SDBF) will be recognized in pension expense as follows:

	Net deferred outflows (inflows) of resources
2020	$ 19,040
2021	19,040
2022	19,040
2023	19,040
2024	19,040
Thereafter	27,763
Total	$ 122,963

L. Other Post-Employment Benefits - OPEB

Plan Description

City employees retiring on TMRS will be provided the opportunity to receive health insurance benefits from the City from the City's existing health care plan. The City established by ordinance a single-employer defined benefit postemployment healthcare plan that covers retired employees of the City. The City established an irrevocable trust and contracted with an administrator as well as a custodial bank to manage the plan's assets or the retiree's medical benefits.

The plan does not issue a stand-alone financial report. For inquiries relating to the plan, please contact: The City of Mansfield, Business Services Division, 1200 East Broad Street, Mansfield, Texas 76063.

Measurement Focus and Basis of Accounting

The City of Mansfield, Texas Retiree Health Insurance Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the determination of the employer.

Benefits

City employees will be provided the opportunity to elect employer-subsidized health programs until the age of 65. Employees and their dependents who retire before the age of 65 with ten years of service and less than 20 years of service are eligible to receive full health insurance coverage as a life time benefit at the same cost of an active employee. Employees and their dependents who retire with 20 years of service are eligible to receive full health insurance coverage as a life time benefit; while their dependents are eligible for full health insurance coverage they must pay the same cost as an active employee for full insurance coverage of their dependents.

Employees

At the time of the actuarial valuation, the City had 484 active plan members and 93 retired plan members receiving benefits. Of the retired members, 40 had less than 20 years of service and 53 had more than 20 years of service.

Contributions

Participants included in the actuarial valuation include retirees and survivors, and active employees who may be eligible to participate in the Plan upon retirement. Eligible retired employees participating in the City's Retiree Health Insurance Plan pay their premiums directly to the City. Expenditures for post-retirement healthcare and other benefits are recognized monthly and funded into the irrevocable trust. The City funds 100% of the actuarially determined contribution (ADC), which approximates the annual OPEB cost, and totaled $4,820,000 for the fiscal year ended September 30, 2019.

Net OPEB Liability

The City's net OPEB liability (NOL) was measured as of June 30, 2019 and the total OPEB liability (TOL) - SDBF used to calculate the NOL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The NOL in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

Actuarial method	Entry Age Normal
Discount rate	7.0% per annum. The plan is funded in an irrevocable trust maintained by the plan sponsor. The City has, on average, made contributions the last five years that, if continued in this fashion, the plan will always be sufficiently funded to pay benefits due.
Inflation	2.5% per annum
Mortality	RP-2014 Mortality Table with Improvement Scale MP-2018
Marriage Assumptions	3-year spouse age difference with females assumed 3 years younger than males. 25% of participants eligible for future post-employment benefits are assumed to have an eligible spouse electing to receive plan benefits. For

	retired members, we have used actual marital status, as provided, and assumed all such spouses are receiving plan benefits.
Health-care cost trend rates	7% in year 1 graded downward ½% per year to 4.5% in year 6 & later
Post-65 premium reductions	It is assumed that employer-subsidized premiums will be reduced by two-thirds after age 65 due to Medicare eligibility.
Assumed utilization	75% of eligible future retirees are assumed to elect plan benefits
Changes in assumptions	We have changed the mortality table improvement scale from MP-2017 to MP-2018.
Salary rate	3% per annum

Retirement Rate

Attained Age	Rates per 100 Participants
50	3.00
51-54	1.50
55-57	7.50
58-59	10.00
60	25.00
61-64	10.00
65	100.00

Withdrawal Rate

Attained Age	Rates per 100 Participants
25	19.50
30	18.80
35	17.68
40	15.90
45	13.42
50	9.74
55	5.18

The plan's policy in regard to the allocation of invested assets is established by the City Council. The target asset allocation policy is 50% equity investments, 45% fixed income investments, and 5% cash. The long-term expected rate of return on plan investments used in the valuation was determined using a building-block method in which the City's best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighing the City's expected future real rate of return by the target asset allocation percentage and by adding expected inflation. The City's best estimates of geometric real rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	50%	3.6%
Fixed Income	45%	0.9%
Cash	5%	0.0%
Inflation	N/A	2.5%
Total	100%	7.0%

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Positon (b)	Net OPEB Liability (a) - (b)
Balance at 6/30/2018	$48,772,103	$ 11,263,823	$37,508,280
Changes for the year:			
Service Cost	568,220	-	568,220
Interest	3,333,223	-	3,333,223
Difference between expected and actual experience	8,760,461	-	8,760,461
Contributions - employer	-	7,261,311	(7,261,311)
Benefit payments	(2,441,311)	(2,441,311)	-
Net investment income	-	959,456	(959,456)
Administrative expense	-	(66,652)	66,652
Net changes	10,220,593	5,712,804	4,507,789
Balance at 6/30/2019	$58,992,696	$ 16,976,627	$42,016,069

Sensitivity of the Total Pension Liability to Changes in the Discount and Trend Rates

The following presents the net OPEB liability of the City, calculated using the discount rate of 7%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Net OPEB Liability	$ 51,478,242	$ 42,016,069	$ 34,486,195

The following presents the net OPEB liability of the City, calculated using the trend rates of 7%, as well as what the City's net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rates:

	1% Decrease in Trend Rates (6.00%)	Trend Rates (7.00%)	1% Increase in Trend Rates (8.00%)
Net OPEB Liability	$ 34,405,648	$ 42,016,069	$ 51,474,229

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2019, the City recognized expense of $4,826,810.

At September 30, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Schedule of Outflows and Inflows - Current and Future Expense

Due to Liabilities:	Recognition Period (or Amortization yrs)	Total Remaining (Inflow) or Outflow of Resources	2019 Recognized in current OPEB expense	Deferred (Inflow)/Outflow in future expense
2018 Change in assumptions	3.3900	$ (1,109,590)	$ (327,313)	$ (782,277)
			$ (327,313)	$ (782,277)
Due to Assets:				
2018/2019 Net difference in projected and actual earnings on OPEB plan investments	5.0000	$ 81,651	$ 22,282	$ 59,369
2019 Difference between expected and actuarial experience	4.2000	8,760,461	2,085,824	6,674,637
			$ 2,108,106	$ 6,734,006
Total				$ 5,951,729

$0 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the year ended September 30,	Net deferred outflows (inflows) of resources
2020	$ 1,780,793
2021	1,780,793
2022	1,980,453
2023	409,690
2024	-
Thereafter	-
Total	$ 5,951,729

Deferred Outflows and Inflows of Resources Related to Pensions and OPEBs

	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit	Total Deferred Outflows and Inflows
Deferred Outflows:					
Deferred pension contributions	$ 3,289,904	$ 865,698	$ 4,155,602	$ 30,559	$ 4,186,161
Deferred OPEB contributions	31,975	9,787	41,762	240	42,002
Deferred investment losses	6,285,867	1,177,656	7,463,523	25,369	7,488,892
Deferred assumption changes	48,092	17,996	66,088	830	66,918
Deferred actuarial experience	7,934,328	2,453,781	10,388,109	73,646	10,461,755
	$ 17,590,166	$ 4,524,918	$ 22,115,084	$ 130,644	$ 22,245,728
Deferred Inflows:					
Deferred assumption changes	$ 812,491	$ 305,610	$ 1,118,101	$ 7,196	$ 1,125,297
	$ 812,491	$ 305,610	$ 1,118,101	$ 7,196	$ 1,125,297
Liabilities:					
Net pension liability	$ 25,641,058	$ 6,724,309	$ 32,365,367	$ 235,863	$ 32,601,230
Net OPEB liability	31,986,834	9,789,743	41,776,577	239,492	42,016,069
Total OPEB liability - SDBF	917,323	252,913	1,170,236	8,842	1,179,078
	$ 58,545,215	$ 16,766,965	$ 75,312,180	$ 484,197	$ 75,796,377

Immediately following the notes, the schedule of funding progress is presented for the Texas Municipal Retirement System plan along with Retiree Health Insurance Other Postemployment Benefits plan.

M. Commitments and Contingencies

Various claims and lawsuits are pending against the City. In the opinion of the City's management, the potential loss on all claims, if any, will not be material to the City's financial statements.

Audits of Grant Activities

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state grantor agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be material to the City's financial statements.

General Equipment Commitments as of September 30, 2019 are as follows:

The City has entered into a general equipment commitment for Public Safety equipment. This lease agreement was entered into June 27, 2012. The amount of the equipment purchased was $2,073,235 to be repaid over a ten-year period at an interest rate of 3.53%. Annual payments subject to annual appropriation are to occur over the next five years as follows:

Fiscal Year	Annual Payment	Interest	Principal	Remaining Principal
2020	241,153	31,246	209,907	675,237
2021	241,153	23,836	217,317	457,920
2022	241,153	16,165	224,988	232,932
2023	241,153	8,221	232,932	-
TOTAL	$964,612	$79,468	$885,144	

N. Contracts with Other Governmental Entities and Other Contracts

Water Supply

Raw water is supplied to the City through a contract between the City and the Tarrant Regional Water District (TRWD). The basic contract, which was renegotiated and approved by the TRWD and the City Council on September 10, 1979, provides for a contract period to run for the life of the bonds, which were issued by the TRWD to provide water to the City and thereafter for the life of the TRWD facilities serving the City. Water is provided to the City from the TRWD Cedar Creek Lake and Richland-Tehuacanna Reservoir. Under the contract, the City has a take-or-pay gallon requirement based on the greater of 1.3 million gallons or the average daily consumption for the previous five-year period. The rate to be charged to the City for raw water is based upon the TRWD cost of debt service, operation and maintenance expenses, and any other miscellaneous expenses in connection with its water supply facilities. These costs will be allocated on a proportionate share based upon actual water consumption of the City in relation to the actual use by the City of Fort Worth and the Trinity River Authority (TRA) after crediting the amount received by the TRWD from water sales to the City of Arlington and other customers. The current rate charged for raw water has been calculated to be $1.26520 per 1,000 gallons, with a total cost of $5,667,444 during fiscal year 2019. It is estimated that the raw water supply available to the City under the contract is adequate for the ultimate development of the City.

In addition, the City has a contract with the City of Arlington to purchase treated water up to 1.0 M.G.D. on a demand basis. The City has the option to renegotiate the Arlington water purchase contract on an as-needed basis.

Sewer Treatment

On August 23, 1974, the City Council approved a contract with the TRA to become a contracting party in the TRA's Central Regional Wastewater System, along with 19 other area cities and the Dallas/Fort Worth International Airport.

The contracting parties have agreed to pay the TRA its net cost of operation and maintenance, including debt service requirements, on the Central System. Payments made by the respective cities are pursuant to authority granted by Article 1109i, Vernon's Annotated Texas Civil Statutes, as amended, and Chapter 30, Texas Water Code, as amended, and constitute operating expenses of their waterworks and sewer systems.

The expense of operating TRA's Central System, including administrative overhead and amounts necessary to pay debt service, is paid monthly by the contracting parties based on a formula of dividing each contracting party's estimated contributing flow to the Central System for such year by the total estimated contributing flow by all contracting parties being served at the beginning of each such year, with a year-end adjustment based on actual metered contributing flow to the Central System by all contracting parties. For fiscal year 2019, the City's cost for sewer treatment under the contract was $7,372,667.

Law Enforcement Complex Housing Commitment

On June 25, 1990, the City entered into an Intergovernmental Agreement Contract (IGA) with the United States Marshal's Service (USMS) to provide for the housing, safekeeping, and subsistence of adult male and female federal prisoners. The City began housing prisoners from the Immigration and Naturalization Service pursuant to the terms and conditions of the USMS contract or IGA. Effective October 1, 2018, the City and the USMS agreed for the City to house federal prisoners and other related governmental agencies' prisoners at a cost of $78.00 per day.

On January 1, 2017, the City entered into an IGA with the USMS to provide for the housing, safekeeping, and subsistence of adult male and female federal prisoners. The City began housing prisoners from the Immigration and Naturalization Service pursuant to the terms and conditions of the USMS contract or IGA. On January 1, 2017, the City and the USMS agreed for the City to house federal prisoners and other related governmental agencies' prisoners at a cost of $66.30 per day, effective January 1, 2017.

If any net losses or capital requirements should arise in the future, the City will be required to make cash advances and/or operating transfers from the general fund to fund these operating and capital requirements. The City cannot reasonably estimate the amounts, if any, of the advances or operating transfers that may be required.

Mansfield National Golf Club

In June 1999, the City entered into an agreement with MPFDC and Evergreen Alliance Golf Limited, L.P., a Delaware limited partnership, to construct an 18-hole golf course. The agreement named the property on which the course was constructed: Mansfield National Golf Club. Mansfield National Golf Club was constructed by Evergreen Alliance Golf Limited, L.P. (Alliance) during FY99 and FY00 on property owned by MPFDC in the City. The Mansfield National Golf Club opened in November 2000. During the course of the construction, Alliance assumed the financial obligation and risk of constructing the course on the MPFDC property. Upon completion of the construction of Mansfield National Golf Club, a long-term lease agreement was entered into by the MPFDC and Alliance to manage and operate the course for a period of 50 years. In the agreement, Alliance agreed to pay the MPFDC a Base Rent for occupying the property during the term of the Lease. The following summarizes the terms of the base rent:

Lease years 01 through and including 10:	$ 0.00 per lease year
Lease years 11 through and including 20:	$ 50,000 per lease year
Lease years 21 through and including 30:	$100,000 per lease year
Lease years 31 through and including 40:	$125,000 per lease year
Lease years 41 through and including 50:	$175,000 per lease year

The value of the improvements made to the property, subject to and reserving the leasehold rights of Alliance as defined by the agreement, became the vested rights of MPFDC and subsequently the vested rights of the City. The rights of the value of improvements have been used as collateral for financing the cost of constructing the improvements. The improvements or rights of the value of the improvement are not carried or recognized as an asset by the MPFDC. However, upon the dissolution of the lease agreement, the rights of the value of the improvements are to be recognized as an asset by the MPFDC. The MPFDC has the right of first refusal and the authority to approve or disapprove future assignments of the rights made by Alliance. In the event Alliance becomes insolvent, certain remedies are permitted by the agreement and in no circumstance is the MPFDC obligated to or committed to Alliance's creditors.

The City is accruing a lease receivable of $90,000 per year to recognize future rental income over the term of the lease on a straight-line basis. The contract provides termination rights by either party with certain legal remedies.

Evergreen Alliance Golf Limited, L.P. (Alliance), assigned 100% of the interest in the operations and maintenance lease to CF Mansfield National Arcis, LLC.

Sports Park – Big League Dreams

During fiscal year 2008, the City completed the construction of a multipurpose recreational sports park known as "Big League Dreams Mansfield Sports Park," BLDMSP. The City spent $26.4 million on the facility, which includes eight lighted theme baseball/softball fields, one multipurpose facility, open park areas, and administrative offices on a 40 acre tract of land.

The City contracted with a Texas Limited Partnership, Big League Dreams Mansfield, L.P., or BLD, to manage, operate, and maintain the park for 40 years effective upon the completion of the construction of BLDMSP. This agreement is referred to as a maintenance and operation agreement. BLD is an affiliate of Big League Dreams USA, LLC, or BLD USA, a California company, which has affiliates in several states including Texas, Arizona, and California. BLD USA also owns the intellectual rights and has a proprietary interest in the Total Image, Name and Marks, and Logo, BLD USA. The City has contracted with BLD USA to use their intellectual rights for BLDMSP through a license agreement. The term of this license agreement is concurrent to the term of the maintenance and operation agreement.

The terms of the agreement give BLD the right to operate and maintain the BLDMSP for an initial term of 30 years with the two separate options of extending the contract for 5 years in periods following the original term of 30 years. BLD is to maintain and operate the park from the use of the facility by the public. BLD is able to charge fees and is to pay for the cost of maintaining, insuring, and operating the park. For the right to maintain, insure, and operate the BLDMSP, BLD is to pay the City a minimum operating fee of $100,000 per year with escalation provisions based upon annual gross revenues achievements. The payments are to commence after a waiver period of at least 12 months.

There are provisions for the termination of this agreement in the event of well-defined circumstances of default by either the City or BLD USA. In the event of an agreed-upon default, the City or BLD has exhaustive rights to remedy or cure the default. There is no right of assignment outside the assignment to an affiliate of either entity.

Water Park – Hawaiian Falls

In fiscal year 2008, the City completed the construction and capitalized the costs of a water park. The cost of the park capitalized was $8.9 million.

To construct, operate, and maintain the water park, the City contracted with Mansfield Family Entertainment, LLC, MFE, commonly referred to as Hawaiian Falls. The term of the agreement is for a period of 40 years with two 5-year renewal options succeeding the term of 40 years. The agreement allows MFE to operate and maintain the park by leasing the water park from City. MFE has the right to charge fees to operate and maintain the park. The City granted a rent holiday or reprieve from annual lease payments for a period of 7 years. However, if the gross receipts generated from the operation of the water park exceed $2,500,000 in any year within the 7-year rent holiday, MFE is to begin paying an annual lease payment of at least 5% of gross revenues thereafter.

By agreement, MFE acknowledges the title of City in and to land constituting the premises and the real property improvements including appurtenances constructed by either party and agrees never to contest such title.

The parent company of Mansfield Family Entertainment, LLC (MFE), Horizon Family Holdings, LLC sold 100% of the interest of Horizon Family Holdings to Source Horizon, LLC. This transaction allows for the ground lease with MFE to continue without disruption.

Source Horizon, LLC replaced MFE with STORE Master Funding VIII, LLC as the leaseholder with a sublease to ProParks Management dba PPW Mansfield, LLC.

Fieldhouse

In fiscal year 2017, the City completed construction of an indoor basketball and volleyball facility. The facility will have at least 90,000 square feet and will have space for 8 basketball courts or 12 volleyball courts. The cost of the sports facility capitalized was $12.6 million.

To operate and maintain the basketball and volleyball facility, the City contracted with Mansfield Fieldhouse, LLC, commonly referred to as Fieldhouse. The term of the lease and operating agreement is for a period of 25 years with a first extension period of 10 years and a second extension period of 5 years. Per the lease, Fieldhouse may charge fees in order to maintain and operate the sports facility. Base rent in years 1-5 will be $300,000 per year. Base rent in years 6-25 will be equal to $500,000 per year. Beginning in year 3 of the lease, Fieldhouse will pay 10% of the Gross Revenues in addition to the base rent up to a maximum total payment of $600,000 annually. In years 4-25, Fieldhouse will pay 15% of Gross Revenues in addition to the base rent up to a maximum total rent payment of $600,000 annually. Percentage rents are waived for years 1 & 2 for ramp up of operations.

In the year of the commencement date, the City will annually accrue a lease receivable of $460,000 to recognize future rental income over the term of the lease on a straight-line basis. The contract provides termination rights by either party with certain legal remedies.

Stars Center

In September 2016, the City entered into a lease and operating agreement with DSE Hockey Centers LP to construct, develop, complete and own for public purposes an indoor recreational ice skating rink and sports center. The facility will be approximately 80,000 gross square feet with two ice surfaces.

The lease and operating agreement between the City and DSE Hockey Centers LP is for a 30 year period. DSE Hockey Center, LP prepaid rent and deposits of $1,500,000 and $600,000 respectively as of September 30, 2016 and will pay an additional deposit of $400,000 upon the occupancy of the facility. This amount will be repaid over the next 20 years. The security deposit is recognized as a liability and the prepaid rent is recognized as a deferred inflow of resources to be repaid over the period of 20 years.

The term of the lease is for 30 years and the following summarizes the base rent:

Lease years 01 through and including 05:	$440,000 per lease year;
Lease years 06 through and including 07:	$500,000 per lease year;
Lease years 08 through and including 13:	$600,000 per lease year;
Lease years 14:	$640,000 per lease year;
Lease years 15 through and including 30:	$660,000 per lease year.

Beginning in the fiscal year of lease commencement, the City will accrue $600,000 per year to recognize future rental income over the term of the lease on a straight-line basis. The contract provides termination rights by either party with certain legal remedies.

Mansfield Economic Development Corporation Commitments

The Mansfield Economic Development Corporation was established to promote, encourage and incentivize economic development within the City. Since its inception, the Corporation has promoted industrial and commercial development through incentive agreements that are designed to encourage

existing business expansion and new business growth within the City. Since inception, the Corporation has assisted companies in making the City their home by providing economic assistance. In return, those companies have made cumulative capital investments and created jobs within the City.

In continuance of the City's economic development program, the Corporation has made additional commitments to incentivize industry over the next several years. These commitments are generally contingent upon the industry's capital investments and creation of new jobs or other criteria determined by the Corporation. The arrangements vary in amounts and allow for reimbursements for capital costs or expansion costs incurred by the industries. These commitments require stringent performance commitments by the respective industries to qualify for the incentives. To date, the Corporation had made commitments to be administered over the next several years in the amounts of $2.4 million in year 2020, $1.4 million in year 2021, $1.4 million in year 2022, $.3 million in year 2023, and $.1 million in 2024. These commitments and amounts may change from year to year depending upon the performance of the industries, and their ability to meet the performance standards as established by the Corporation. In the event, the Corporation deems the industries performance insufficient, the Corporation can restructure, extend, void or recover the commitments.

Mansfield Tax Increment Financing Reinvestment Zone Number Two Commitments

The Mansfield Tax Increment Financing Reinvestment Zone Number Two's board of directors has committed the TIRZ to reimburse the City for the following expenditures. The expenditures are land acquisition - $962,133, downtown lofts - $1,229,496, parking lot construction - $283,736 and business incentives - $356,855. These funds are anticipated to be paid to the City with future revenue of the TIRZ.

O. Tax Abatements

The City of Mansfield entered into 380 agreements with local businesses under the State of Texas Local Government Code 380. Under the Local Government Code, municipalities may establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and stimulate business and commercial activity in the municipality. The abatements may be granted to any business located within or promising to relocate to the City of Mansfield, Texas.

For the fiscal year ended September 30, 2019, the City of Mansfield, Texas abated property and sales taxes totaling $607,745 under this program, including the following tax abatement agreements:

A 100% property tax abatement to a tool manufacturer for building a manufacturing center in the industrial district. The abatement amounted to $578,906.

An 80% sales tax abatement to a home builder for materials purchased within the City of Mansfield, Texas. The abatement amounted to $15,274.

An 80% sales tax abatement to a home builder for materials purchased within the City of Mansfield, Texas. The abatement amounted to $13,565.

P. Conduit Debt Obligations

In prior years, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the

state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

There are no series of Industrial Revenue Bonds outstanding as of the fiscal year-end.

Q. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's general liability and workers' compensation program is managed through the purchase of a policy through a municipal pool that is separately administered. The City's health insurance is administered through an outside provider. The City makes specified contributions for employees and their dependents under this plan. Additionally, the City also offers dental, life insurance, and accidental death and dismemberment plans through an independent provider in which the City makes specified contributions for employees only under these plans. There have been no significant reductions in insurance coverage for any of these programs since last year, and settlements have not exceeded insurance coverage for any of the past three years.

R. Subsequent Events

Bond Issuances

On January 13, 2020, the City issued $24,245,000 in Combination Tax and Revenue Certificates of Obligation, Series 2020. The purpose of the Combination Tax and Revenue Certificates of Obligations, Series 2020 are for the design, development, and construction of public infrastructure and land acquisition.

On January 13, 2020 the City issued $4,475,000 in General Obligation Refunding Bonds, Series 2020. The debt was issued to refund the Series 2009 General Obligation Refunding Bonds, the Series 2011 Certificates of Obligation, and the Series 2011 General Obligation Refunding Bonds. The refunding resulted in an economic gain (difference between the present value of the debt service payment of the old debt and new debt) of $378,603.

S. New Accounting Pronouncements to be implemented after fiscal year 2019

For fiscal year 2019, the City has implemented Statement No. 83 "Certain Asset Retirement Obligations" of the financial accounting standards issued by the GASB The Statement had no effect on the City's financial statements in fiscal year 2019.

For fiscal year 2019, the City has implemented Statement No. 88 "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements" of the financial accounting standards issued by the GASB. The Statement had no effect on the City's financial statements in fiscal year 2019.

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for fiscal years beginning after December 15, 2018. The City is in the process of evaluating the impact of this statement on its financial statements.

In June 2017, the GASB issued Statement No. 87, Leases. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for fiscal years beginning after December 15, 2019. The City is in the process of evaluating the impact of this statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 16. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

MANSFIELD
TEXAS

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2019

Texas Municipal Retirement System

Schedule of Changes in Net Pension Liability and Related Ratios

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
Total Pension Liability					
Service Cost	$ 5,030,515	$ 5,544,166	$ 6,096,131	$ 6,423,859	$ 6,781,902
Interest (on the Total Pension Liability)	7,925,143	8,685,074	9,139,426	10,061,815	10,919,655
Difference between expected and actual experience	72,552	162,133	1,967,131	863,204	2,214,327
Change of assumptions	-	(670,018)	-	-	-
Benefit payments, including refunds of employee contributions	(2,396,267)	(2,461,495)	(2,880,319)	(4,522,769)	(5,115,537)
Net Change in Total Pension Liability	10,631,943	11,259,860	14,322,369	12,826,109	14,800,347
Total Pension Liability - Beginning	111,899,202	122,531,145	133,791,005	148,113,374	160,939,483
Total Pension Liability - Ending (a)	$ 122,531,145	$ 133,791,005	$ 148,113,374	$ 160,939,483	$ 175,739,830
Plan Fiduciary Net Position					
Contributions - Employer	$ 4,469,146	$ 4,630,258	$ 4,818,294	$ 5,249,682	$ 5,679,463
Contributions - Employee	2,108,088	2,236,839	2,385,294	2,513,528	2,661,060
Net Investment Income (Loss)	5,606,309	158,951	7,585,611	17,197,200	(4,327,905)
Benefit payments, including refunds of employee contributions	(2,396,267)	(2,461,495)	(2,880,319)	(4,522,769)	(5,115,537)
Administrative Expense	(58,519)	(96,800)	(85,612)	(89,055)	(83,556)
Other	(4,811)	(4,781)	(4,613)	(4,513)	(4,365)
Net Change in Plan Fiduciary Net Position	9,723,946	4,462,972	11,818,655	20,344,073	(1,190,840)
Plan Fiduciary Net Position - Beginning	97,979,794	107,703,740	112,166,712	123,985,367	144,329,440
Plan Fiduciary Net Position - Ending (b)	107,703,740	112,166,712	123,985,367	144,329,440	143,138,600
Net Pension Liability - Ending (a-b)	$ 14,827,405	$ 21,624,293	$ 24,128,007	$ 16,610,043	$ 32,601,230
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.90%	83.84%	83.71%	89.68%	81.45%
Covered Payroll	$ 30,115,541	$ 31,954,849	$ 34,075,932	$ 35,907,541	$ 38,015,147
Net Position Liability as a Percentage of Covered Employee Payroll	49.24%	67.67%	70.81%	46.26%	85.76%

Note: GASB 68 requires 10 years of data to be provided in this schedule. As of September 30, 2019, only 5 years are included and additional years will be added as the information becomes available.

Schedule of Contributions
Last 10 Years (will ultimately be displayed)

	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Actuarially Determined Contribution	$ 5,672,743	$ 5,648,240	$ 5,155,157	$ 5,048,183
Contributions in relation to the actuarially determined contribution	5,672,743	5,648,240	5,155,157	5,048,183
Contribution deficiency (excess)	-	-	-	-
Covered Payroll	$ 37,574,173	$ 37,541,117	$ 35,161,865	$ 35,121,057
Contribtions as a Percentage of Covered Employee Payroll	15.10%	15.05%	14.66%	14.37%

Note: GASB 68 requires 10 years of data to be provided in this schedule. As of September 30, 2018, only 4 years are included and additional years will be added as the information becomes available.

Notes to Schedule of Contributions

Valuation Date:

Notes: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions used to determine Contribution Rates:

Actuarial Cost Method Entry: Entry Age Normal
Amortization Method: Level Percentage of Payroll, Closed
Remaining Amortization Period: 27 years
Asset Valuation Method: 10 Year smoothed market; 15% soft corridor
Inflation: 2.5%
Salary Increases: 3.50% to 10.5% including inflation
Investment Rate of Return: 6.75%
Retirement Age: Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.

Mortality: RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes There were no benefit changes during the year.

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2019

Texas Municipal Retirement System - Supplemental Death Benefits

Schedule of Changes in Total OPEB Liability - SDBF

	December 31, 2017	December 31, 2018
Total OPEB Liability - SDBF		
Changes for the year:		
Service Cost	$ 46,680	$ 57,023
Interest	33,578	34,935
Difference between expected and actual experience	-	145,354
Changes in assumptions or other inputs	89,076	(81,348)
Benefit payments*	(7,182)	(7,603)
Net changes	162,152	148,361
Total OPEB Liability - SDBF - Beginning	868,565	1,030,717
Total OPEB Liability - SDBF - Ending	$ 1,030,717	$ 1,179,078
Covered Payroll	35,907,541	38,015,147
Total OPEB Liability - SDBF as a Percentage of Covered Payroll	2.87%	3.10%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2019, only 2 years are included and additional years will be added as the information becomes available.

Schedule of Contributions
Last 10 Years (will ultimately be displayed)

	September 30, 2018	September 30, 2019
Actuarially Determined Contribution	$ 57,222	$ 56,361
Contributions in relation to the actuarially determined contribution	57,222	56,361
Contribution deficiency (excess)	-	-
Covered Payroll	$ 37,541,117	$ 37,574,173
Contribtions as a Percentage of Covered Employee Payroll	0.15%	0.15%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2019, only 2 years are included and additional years will be added as the information becomes available.

Notes to Schedule of Contributions

Valuation Date:

Notes:	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Summary of Actuarial Assumptions:

Inflation:	2.5%
Salary Increases:	3.50% to 10.5% including inflation
Discount Rate:	3.71%*
Retirees' Share of Benefit-Related Costs:	$0
Administrative Expenses:	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality Rates – Service Retirees:	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality Rates – Disabled Retirees:	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Other Information:

Notes	No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

Note: The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2019

Retiree Health Insurance Plan - Trust

Schedule of Changes in the City's Net OPEB Liability
Last 10 Fiscal Years (will ultimately be displayed)

	June 30, 2018	June 30, 2019
Net OPEB Liability		
Service cost	$ 532,526	$ 568,220
Interest cost (on the total OPEB liability)	3,214,381	3,333,223
Difference between expected and actual experience	(1,436,903)	8,760,461
Benefit payments	(353,235)	(2,441,311)
Net change in net OPEB liability	1,956,769	10,220,593
Net OPEB liability - beginning	46,815,334	48,772,103
Net OPEB liability - ending (a)	48,772,103	58,992,696
Net Position		
City contributions	1,848,035	7,261,311
Net investment income	571,467	959,456
Benefit payments	(353,235)	(2,441,311)
Administrative expenses	(56,673)	(66,652)
Net change in net position	2,009,594	5,712,804
Net position - beginning	9,254,229	11,263,823
Net position - ending (b)	11,263,823	16,976,627
Net OPEB Liability (a-b)	37,508,280	42,016,069
Net position as a percentage of total OPEB liability	23.1%	28.8%
Covered payroll	$ 36,940,838	$37,717,964
Net OPEB liability as a percentage of covered payroll	101.5%	111.4%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2019, only 2 years are included and additional years will be added as the information becomes available.

Schedule of Contributions
Last 10 Fiscal Years (will ultimately be displayed)

	September 30, 2018	September 30, 2019
Actual contributions paid into plan trust	$ 2,410,000	$ 2,410,000
Contributions in relation to the actuarially determined contribution	2,410,000	2,410,000
Contribution deficiency (excess)	-	-
Covered payroll	$ 37,541,117	$ 37,574,173
Contribtions as a Percentage of Covered Employee Payroll	6.42%	6.41%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2019, only 2 years are included and additional years will be added as the information becomes available.

The NOL in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

Actuarial method	Entry Age Normal
Discount rate	7.0% per annum. The plan is funded in an irrevocable trust maintained by the plan sponsor. The City has, on average, made contributions the last five years that, if continued in this fashion, the plan will always be sufficiently funded to pay benefits due.
Inflation	2.5% per annum
Mortality	RP-2014 Mortality Table with Improvement Scale MP-2018
Marriage Assumptions	3-year spouse age difference with females assumed 3 years younger than males. 25% of participants eligible for future post-employment benefits are assumed to have an eligible spouse electing to receive plan benefits. For retired members, we have used actual marital status, as provided, and assumed all such spouses are receiving plan benefits.
Health-care cost trend rates	7% in year 1 graded downward ½% per year to 4.5% in year 6 & later
Post-65 premium reductions	It is assumed that employer-subsidized premiums will be reduced by two-thirds after age 65 due to Medicare eligibility.
Assumed utilization	75% of eligible future retirees are assumed to elect plan benefits
Changes in assumptions	We have changed the mortality table improvement scale from MP-2017 to MP-2018.

Retirement Rate

Attained Age	Rates per 100 Participants
50	3.00
51-54	1.50
55-57	7.50
58-59	10.00
60	25.00
61-64	10.00
65	100.00

Withdrawal Rate

Attained Age	Rates per 100 Participants
25	19.50
30	18.80
35	17.68
40	15.90
45	13.42
50	9.74
55	5.18

Other Information:

Notes — Assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Required Supplementary Information - Unaudited

City of Mansfield, Texas
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Taxes:				
Property	$ 34,590,787	$ 34,590,787	$ 33,966,793	$ (623,994)
Sales	12,123,780	12,123,780	12,494,551	370,771
Franchise	3,832,540	3,832,540	4,093,063	260,523
Mixed drink	182,646	182,646	277,793	95,147
Licenses and permits	1,985,868	1,985,868	2,260,191	274,323
Charges for services	4,709,736	4,709,736	5,537,205	827,469
Fines	1,736,560	1,736,560	1,727,667	(8,893)
Interest earnings	190,000	190,000	589,290	399,290
Intergovernmental	-	-	599,725	599,725
Miscellaneous	1,057,976	1,057,976	1,009,032	(48,944)
Total revenues	60,409,893	60,409,893	62,555,310	2,145,417
EXPENDITURES				
Current:				
General Government:	13,647,255	13,647,255	15,635,490	(1,988,235)
Public safety	35,379,194	35,379,194	36,353,285	(974,091)
Public works	5,173,625	5,173,625	4,689,809	483,816
Culture and recreation	4,554,975	4,554,975	4,197,037	357,938
Equipment	-	-	174,694	(174,694)
Total expenditures	58,755,049	58,755,049	61,050,315	(2,295,266)
Excess of expenditures over revenues	1,654,844	1,654,844	1,504,995	(149,849)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,908,861	1,908,861	1,963,663	54,802
Transfers out	(3,565,825)	(3,565,825)	(3,187,154)	378,671
Sale of city property	2,120	2,120	98,825	96,705
Total other financing sources and uses	(1,654,844)	(1,654,844)	(1,124,666)	530,178
Net change in fund balances	-	-	380,329	380,329
Fund balances - beginning	17,028,977	17,028,977	17,028,977	-
Fund balances - ending	$ 17,028,977	$ 17,028,977	$ 17,409,306	$ 380,329

See accompanying notes to required supplementary information.

CITY OF MANSFIELD, TEXAS

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2019

Stewardship, compliance, and accountability

Budgetary information

As set forth in the City Charter, the City Council adopts an annual budget prepared in accordance with GAAP. The City Manager may transfer part or all of any unencumbered appropriation balance among programs within a specific fund; however, any revisions that alter the total expenditures of the fund must be approved by the City Council. The City, for management purposes, adopts budgets for all funds except Special Revenue, Trust and Agency, and Capital Projects, which the use of these funds is legally restricted for a designated purpose. Legal budgets are adopted for the General Fund and the Debt Service Funds; the legal level of control is the fund level.

The City is prohibited from deficit spending as defined by the City's Charter. The City's General Fund fund balance as of September 30, 2019 is $17,409,306.

The Capital Projects are funded through the issuance of general obligation debt authorized for a specific purpose. Trust Funds are restricted by legal authorization, which created the trust. Agency Funds are used to account for assets held for other funds, governments, or individuals and are custodial in nature.

All unused appropriations, except appropriations for capital expenditures, lapse at the close of the fiscal year to the extent they have not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation. Revenues in the general fund were more than budget by $2,145,417 and expenditures were more than budget by $2,295,266, which was offset by other financing sources (uses), which were less than budget by $530,178.

Supplementary Information

Non-major Governmental Funds

Special Revenue Fund

Mansfield Parks Facility Development Corporation – This fund is used to account for the half-cent sales tax, approved by the voters, for parks land acquisition.

Other Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to be expended for particular purposes. The following funds are combined into a single column for reporting purposes.

- Grants Fund – This fund is used to account for contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.
- COPS Grant Fund – This fund is used to account for the purchase of equipment used to reduce crime and improve public safety.
- Police Fund – This fund is used to account for contributions or drug forfeitures that are restricted to expenditure for police drug enforcement or the operations of the specific activity receiving the donation.
- Mansfield Municipal Court Fund – This fund is used to account for revenues that are restricted to promote child safety awareness in the community and to provide a safe and secure courtroom environment for all court participants.
- Hotel/Motel Tax Fund – This fund is used to account for Hotel/Motel tax revenues that are restricted to expenditure for the promotion of tourism, historical preservation, and the performing arts in the City.
- Tree Mitigation Fund – This fund is used to account for revenues that are restricted to expenditure for the preservation of trees and tree replacement in the City.
- Library Fund – This fund is used to account for contributions or gifts from individuals to be used or expended for Library operations, primarily for the purchase of books.
- Animal Control – This fund is used to account for contributions to be used for special medical needs and spaying/neutering assistance for adoptable animals.
- PID #1 – This fund is used to account for the public improvement assessments of the South Pointe Public Improvement District.

Debt Service Fund

Mansfield Parks Facility Development Corporation Debt Service – This fund is used to account for the principal and interest payments on the MPFDC outstanding bonds.

Capital Projects Funds

Equipment Replacement Fund – This fund is used to account for the acquisition of vehicles, machinery, and equipment for use by City departments.

Parks Construction Fund – This fund is used to account for the construction of new parks within the City.

TIRZ #2 Fund – This fund is used to account for the revitalization of the City's Historic Downtown.

City of Mansfield, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2019

	Special Revenue				Debt Service	Capital Projects				
	Mansfield Parks Facility Development Corporation	Other Special Revenue Funds	Southpointe PID	Total	MPFDC Debt Service	TIRZ #2	Equipment Replacement	Parks Construction	Total	Total Nonmajor Governmental Funds
ASSETS										
Cash, cash equivalents and investments	$ 7,667,523	$ 1,704,471	$ 2,036	$ 9,374,030	$ 521,786	$ 301,882	$ 1,451,406	$ -	$ 1,753,288	$ 11,649,104
Accounts receivable, net	760,284	190,707	-	950,991	-	-		-	-	950,991
Total assets	$ 8,427,807	$ 1,895,178	$ 2,036	$ 10,325,021	$ 521,786	$ 301,882	$ 1,451,406	$ -	$ 1,753,288	$ 12,600,095
LIABILITIES										
Accounts payable	$ 569,961	$ 44,692	$ -	$ 614,653	$ 4,650	$ -	$ -	$ 65,952	$ 65,952	$ 685,255
Due to other funds	-	-	-	-	-	558,010	-	-	558,010	558,010
Accrued liabilities	1,039,510		-	1,039,510		-	-	-	-	1,039,510
Retainage payable	116,709	-	-	116,709	-	-	-	15,622	15,622	132,331
Unearned revenue	1,757,631	-	-	1,757,631	-	-	-	-	-	1,757,631
Total liabilities	3,483,811	44,692	-	3,528,503	4,650	558,010	-	81,574	639,584	4,172,737
FUND BALANCES										
Restricted	3,188,598	251,392	2,036	3,442,026	517,136	-	1,451,406	-	1,451,406	5,410,568
Committed	1,755,398	1,502,007	-	3,257,405	-	-	-	-	-	3,257,405
Assigned	-	97,087	-	97,087	-	-	-	-	-	97,087
Unassigned	-	-	-	-	-	(256,128)	-	(81,574)	(337,702)	(337,702)
Total fund balances	4,943,996	1,850,486	2,036	6,796,518	517,136	(256,128)	1,451,406	(81,574)	1,113,704	8,427,358
Total liabilities and fund balances	$ 8,427,807	$ 1,895,178	$ 2,036	$ 10,325,021	$ 521,786	$ 301,882	$ 1,451,406	$ -	$ 1,753,288	$ 12,600,095

City of Mansfield, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2019

	Special Revenue				Debt Service	Capital Projects				
	Mansfield Parks Facility Development Corporation	Other Special Revenue Funds	Southpointe PID	Total	MPFDC Debt Service	TIRZ #2	Equipment Replacement	Parks Construction	Total	Total Nonmajor Governmental Funds
REVENUE										
Taxes	$ 3,074,439	$ 725,383	$ -	$ 3,799,822	$ 3,155,306	$ 430,151	$ -	$ -	$ 430,151	$ 7,385,279
Impact fees	620,500	-	-	620,500	-	-	-	-	-	620,500
Gas royalty	150,423	-	-	150,423	-	-	-	-	-	150,423
Charges for services	1,736,290	-	83,328	1,819,618	-	-	-	-	-	1,819,618
Fines and forfeitures	-	152,644	-	152,644	-	-	-	-	-	152,644
Investment earnings	141,428	13,953	-	155,381	-	-	109	-	109	155,490
Intergovernmental	-	71,000	-	71,000	-	-	-	-	-	71,000
Contribution & donations	77,002	32,900	-	109,902	-	-	-	-	-	109,902
Miscellaneous	25,795	14,594	-	40,389	-	-	33,144	-	33,144	73,533
Total revenues	5,825,877	1,010,474	83,328	6,919,679	3,155,306	430,151	33,253	-	463,404	10,538,389
EXPENDITURES										
Current:										
General government	-	634,372	93,992	728,364	-	317,495	101,815	-	419,310	1,147,674
Culture and recreation	4,851,462	-	-	4,851,462	-	-	-	170,034	170,034	5,021,496
Public safety	-	84,858	-	84,858	-	-	-	-	-	84,858
Debt service:										
Principal retirement	-	-	-	-	1,670,000	-	-	-	-	1,670,000
Interest	-	-	-	-	1,484,395	-	-	-	-	1,484,395
Fiscal charges	-	-	-	-	3,500	-	-	-	-	3,500
Bond issuance cost	45,500	-	-	45,500	2,822	-			-	48,322
Capital outlay:										
Land	5,162,166	-	-	5,162,166	-	-	-	-	-	5,162,166
Buildings	38,700	-	-	38,700	-	-	-	747,882	747,882	786,582
Improvements (not buildings)	1,227,046	-	-	1,227,046	-	-	-	-	-	1,227,046
Equipment	100,130	81,794	-	181,924	-	-	1,006,997	14,112	1,021,109	1,203,033
Total expenditures	11,425,004	801,024	93,992	12,320,020	3,160,717	317,495	1,108,812	932,028	2,358,335	17,839,072
Excess (deficiency) of revenues over (under) expenditures	(5,599,127)	209,450	(10,664)	(5,400,341)	(5,411)	112,656	(1,075,559)	(932,028)	(1,894,931)	(7,300,683)
OTHER FINANCING SOURCES (USES)										
Transfers in:										
Parks Construction	240,380	-	-	240,380	-	-	-	-	-	240,380
MPFDC	-	-	-	-	-	-	-	12,739	12,739	12,739
General Fund	457,496	-	-	457,496	-	-	1,339,766	-	1,339,766	1,797,262
Transfers out:										
MPFDC	-	-	-	-	-	-	-	(240,380)	(240,380)	(240,380)
Parks Construction	(12,739)	-	-	(12,739)	-	-	-	-	-	(12,739)
Sale of city property	-	4,034	-	4,034	-	-	9,429	-	9,429	13,463
Bonds issued	3,500,000	-	-	3,500,000	-	-			-	3,500,000
Premiums on bonds issued	45,500	-	-	45,500	-	-			-	45,500
Total other financing sources	4,230,637	4,034	-	4,234,671	-	-	1,349,195	(227,641)	1,121,554	5,356,225
Net change in fund balances	(1,368,490)	213,484	(10,664)	(1,165,670)	(5,411)	112,656	273,636	(1,159,669)	(773,377)	(1,944,458)
Fund balances beginning	6,312,486	1,637,002	12,700	7,962,188	522,547	(368,784)	1,177,770	1,078,095	1,887,081	10,371,816
Fund balances ending	$ 4,943,996	$ 1,850,486	$ 2,036	$ 6,796,518	$ 517,136	$ (256,128)	$ 1,451,406	$ (81,574)	$ 1,113,704	$ 8,427,358

Required Supplementary Information

City of Mansfield, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual
Debt Service Fund
For the Year Ended September 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Property taxes	$ 14,899,424	$ 14,899,424	$ 15,525,781	$ 626,357
Investment earnings	-	-	10,777	10,777
Miscellaneous	-	-	14,967	14,967
Total revenues	14,899,424	14,899,424	15,551,525	652,101
EXPENDITURES				
Debt service:				
Principal	9,590,000	9,590,000	9,540,000	50,000
Interest	5,309,424	5,309,424	5,579,980	(270,556)
Fiscal charges	-	-	22,318	(22,318)
Total expenditures	14,899,424	14,899,424	15,142,298	(242,874)
Excess (deficiency) of revenues over (under) expenditures	-	-	409,227	409,227
Net changes in fund balance	-	-	409,227	409,227
Fund balances beginning	1,288,464	1,288,464	1,288,464	-
Fund balances ending	$ 1,288,464	$ 1,288,464	$ 1,697,691	$ 409,227

City of Mansfield, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual
Mansfield Parks Facilities Development Corporation Debt Service Fund
For the Year Ended September 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Sales taxes	$ 3,154,395	$ 3,154,395	$ 3,155,306	$ 911
Total revenues	3,154,395	3,154,395	3,155,306	911
EXPENDITURES				
Debt service:				
Principal	1,670,000	1,670,000	1,670,000	-
Interest	1,484,395	1,484,395	1,484,395	-
Fiscal charges	-	-	3,500	3,500
Issuance Costs	-	-	2,822	2,822
Total expenditures	3,154,395	3,154,395	3,160,717	6,322
Excess (deficiency) of revenues over (under) expenditures	-	-	(5,411)	(5,411)
Fund balances beginning	522,547	522,547	522,547	-
Fund balances ending	$ 522,547	$ 522,547	$ 517,136	$ (5,411)

City of Mansfield, Texas
Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2019

	Beginning	Additions	Deletions	Ending
ASSETS				
Cash and cash equivalents	$ 1,534,821	$ 23,766,091	$ 21,518,963	$ 3,781,949
Total Assets	$ 1,534,821	$ 23,766,091	$ 21,518,963	$ 3,781,949
LIABILITIES				
Insurance Payable	$ 1,534,821	$ 23,766,091	$ 21,518,963	$ 3,781,949
Total Liabilities	$ 1,534,821	$ 23,766,091	$ 21,518,963	$ 3,781,949

City of Mansfield, Texas
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules By Source
September 30, 2019

Governmental funds capital assets:		
Land	$	107,685,098
Buildings		108,033,220
Other Improvements		28,502,601
Vehicles, Machinery, and Equipment		28,643,169
Infrastructure		407,039,854
Construction In Progress		12,822,171
Total Capital Assets	$	692,726,113

Investments in governmental funds capital assets by source:		
General Obligation Bonds	$	327,277,801
Intergovernmental Revenues		4,020,240
Current Revenue		17,996,859
Special Revenues		12,306,498
Developer Revenue		6,123,005
Contributions		325,001,710
Total Investment In Capital Assets	$	692,726,113

City of Mansfield, Texas
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
September 30, 2019

	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government:							
Administration	$ -	$ -	$ -	$ 167,815	$ -	$ -	$ 167,815
City secretary/legal	-	-	-	118,509	-	-	118,509
Personnel	-	-	-	55,334	-	-	55,334
Finance	-	-	-	9,679	-	-	9,679
Accounting/budget/purchasing	-	-	-	22,395	-	-	22,395
Tax assessing	-	-	-	12,806	-	-	12,806
Information services	-	-	-	1,083,955	-	-	1,083,955
Planning and development	-	-	-	174,147	-	-	174,147
Engineering	-	-	-	113,839	-	-	113,839
Code enforcement	-	-	-	135,672	-	-	135,672
Building inspection	-	-	-	50,073	-	119,214	169,287
General government buildings	15,296,970	62,556,394	345,723	404,644	-	-	78,603,731
Total general government	15,296,970	62,556,394	345,723	2,348,868	-	119,214	80,667,169
Public safety:							
Police	-	3,549,920	46,159	10,518,382	-	46,217	14,160,678
Fire	822,455	887,589	126,651	9,227,631	-	215,304	11,279,630
Municipal court	282,234	-	-	227,873	-	-	510,107
Animal control	-	987,426	83,291	149,488	-	-	1,220,205
Total public safety	1,104,689	5,424,935	256,101	20,123,374	-	261,521	27,170,620
Culture and recreation							
Parks and recreation	8,709,921	40,051,891	27,715,062	2,505,633	-	1,789,572	80,772,079
Senior citizens	-	-	3,000	129,677	-	-	132,677
Library	410,001	-	169,639	888,512	-	-	1,468,152
Land maintenance	-	-	-	195,166	-	-	195,166
Building maintenance	-	-	13,076	145,926	-	105,546	264,548
Total culture and recreation	9,119,922	40,051,891	27,900,777	3,864,914	-	1,895,118	82,832,622
Public works:							
Streets	82,163,517	-	-	2,306,013	407,039,854	10,546,318	502,055,702
Total public works	82,163,517	-	-	2,306,013	407,039,854	10,546,318	502,055,702
Total governmental funds capital assets	$ 107,685,098	$ 108,033,220	$ 28,502,601	$ 28,643,169	$ 407,039,854	$ 12,822,171	$ 692,726,113

City of Mansfield, Texas
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function And Activity
For the fiscal year ended September 30, 2019

Function and Activity	Governmental Funds Capital Assets, September 30, 2018	Additions	Deductions	Governmental Funds Capital Assets, September 30, 2019
General government				
Administration	$ 689,428	$ -	$ -	$ 689,428
City secretary/legal	118,509	-	-	118,509
Personnel	55,334	-	-	55,334
Finance	9,679	-	-	9,679
Accounting/budget/purchasing	22,395	-	-	22,395
Tax assessing	12,806	-	-	12,806
Information services	1,045,219	38,736	-	1,083,955
Planning and development	154,227	-	-	154,227
Engineering	85,331	-	-	85,331
Code enforcement	135,672	-	-	135,672
Building inspection	50,073	119,214	-	169,287
General government buildings	30,016,752	-	42,210	29,974,542
Total general government	32,395,425	157,950	42,210	32,511,165
Public safety:				
Police	13,601,975	246,815	187,730	13,661,060
Fire	17,207,882	1,605,567	34,216	18,779,233
Municipal court	235,873	-	-	235,873
Animal control	1,657,862	-	-	1,657,862
Total public safety	32,703,592	1,852,382	221,946	34,334,028
Culture and recreation				
Parks and recreation	110,734,500	7,916,863	-	118,651,363
Senior citizens	132,677	-	-	132,677
Library	4,097,930	-	-	4,097,930
Land maintenance	247,527	-	-	247,527
Building maintenance	916,010	29,805	-	945,815
Total culture and recreation	116,128,644	7,946,668	-	124,075,312
Public works:				
Streets	484,311,905	17,493,703	-	501,805,608
Total public works	484,311,905	17,493,703	-	501,805,608
Total governmental funds capital assets	$ 665,539,566	$ 27,450,703	$ 264,156	$ 692,726,113

MANSFIELD ECONOMIC DEVELOPMENT CORPORATION

City of Mansfield, Texas
Balance Sheet
Mansfield Economic Development Corporation
As of September 30, 2019

ASSETS		
Cash and investments	$	3,477,165
Receivables (net of allowance for uncollectibles)		488,327
Restricted cash and investments		6,538,977
Total assets	$	10,504,469
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$	58,769
Accrued liabilities		9,787
Total liabilities		68,556
Fund balances:		
Reserved for capital projects		6,538,977
Unreserved, undesignated		3,896,936
Total fund balances		10,435,913
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		27,936,444
Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow until then. Deferred outflows are deferred pension contributions, deferred investment losses, deferred charges on refunding and deferred pension expenses.		251,028
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		(26,660,206)
Deferred inflows of resources represent a return of net position that applies to future periods and will not be recognized as an inflow until then. Deferred inflows are deferred assumption changes.		(7,196)
Net position of governmental activities	$	11,955,983

City of Mansfield, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Mansfield Economic Development Corporation
September 30, 2019

REVENUES		
Sales taxes	$	6,247,275
Interest		99,815
Contributions		3,054,050
Miscellaneous		919
Total revenues		9,402,059
EXPENDITURES		
Current:		
Administration		946,030
Projects		5,352,783
Debt service:		
Principal		1,605,000
Interest		1,052,375
Bond issuance cost		2,674
Total expenditures		8,958,862
Excess (deficiency) of revenues over (under) expenditures		443,197
OTHER FINANCING SOURCES (USES)		
Sale of city property		1,783,937
Total other financing sources (uses)		1,783,937
Net change in fund balance		2,227,134
Fund balance beginning		8,208,779
Fund balance ending	$	10,435,913

City of Mansfield, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
Mansfield Economic Development Corporation
to the Statement of Activities
For the Year Ended September 30, 2019

Amounts reported for the MEDC in the statement of activities are different because:

Net change in fund balances MEDC	$	2,227,134
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		(306,045)
Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow until then. Deferred outflows are deferred pension contributions, deferred investment losses, deferred charges on refunding and deferred pension expenses.		(26,506)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the treatment of long-term debt and related items. Also, included is net pension liability which is the difference in Total Pension Liabilty less the Plan Fiduciary Net Position.		1,586,113
Deferred inflows of resources represent a return of net position that applies to future periods and will not be recognized as an inflow until then. Deferred inflows are deferred assuimption changes.		86,089
Changes in net position of governmental activities	$	3,566,785

CITY OF MANSFIELD, TEXAS

STATISTICAL SECTION

SEPTEMBER 30, 2019

The statistical section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends Page 113– 119

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity Page 120 – 123

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax revenues.

Capacity Page 124 – 128

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information Page 129 – 130

These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.

Operating Information Page 131 – 133

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services that the City provides and the activities it performs.

City of Mansfield, Texas

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	$ 224,555	$ 225,083	$ 225,017	$ 211,270	$ 210,130	$ 221,995	$ 230,900	$ 238,473	$ 247,102	$ 255,293
Restricted	1,037	619	490	15,520	29,294	33,782	36,146	32,960	36,286	37,150
Unrestricted	7,269	7,953	9,275	7,967	8,589	1,555	1,906	1,405	(20,591)	(25,556)
Total governmental activities net position	$ 232,861	$ 233,655	$ 234,782	$ 234,757	$ 248,013	$ 257,332	$ 268,952	$ 272,838	$ 262,797	$ 266,887
Business-type activities:										
Net investment in capital assets	$ 111,276	$ 112,164	$ 115,837	$ 105,677	$ 119,190	$ 132,273	$ 135,623	$ 144,313	$ 155,722	$ 164,254
Restricted	4,246	4,331	4,320	18,108	12,548	12,817	16,516	12,842	13,198	13,690
Unrestricted	10,625	17,657	20,683	24,992	21,833	13,375	18,249	23,136	16,396	20,114
Total business-type activities net position	$ 126,147	$ 134,152	$ 140,840	$ 148,777	$ 153,571	$ 158,465	$ 170,388	$ 180,291	$ 185,316	$ 198,058
Primary government:										
Net investment in capital assets	$ 335,831	$ 337,247	$ 340,854	$ 316,947	$ 329,320	$ 354,268	$ 366,523	$ 382,786	$ 402,824	$ 419,547
Restricted	5,283	4,950	4,810	33,628	41,842	46,599	52,662	45,802	49,484	50,840
Unrestricted	17,894	25,610	29,958	32,959	30,422	14,930	20,155	24,541	(4,195)	(5,442)
Total primary government net position	$ 359,008	$ 367,807	$ 375,622	$ 383,534	$ 401,584	$ 415,797	$ 439,340	$ 453,129	$ 448,113	$ 464,945

City of Mansfield, Texas
Changes in Net Position of Governmental and Business Type Activities
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	$ 6,142	$ 6,196	$ 6,686	$ 8,397	$ 10,759	$ 11,647	$ 11,753	$ 14,433	$ 18,218	$ 19,298
Public safety	20,515	21,539	22,640	24,725	26,458	28,058	30,909	31,997	34,407	40,253
Public works	14,027	14,579	15,115	14,852	13,682	13,765	15,017	15,237	15,647	20,481
Culture and recreation	8,195	7,762	8,488	8,281	8,529	8,268	9,500	10,348	10,105	12,249
Interest on long-term debt	5,318	5,138	4,461	4,317	4,505	4,844	5,345	6,345	6,568	6,904
Total governmental activities expenses	$ 54,197	$ 55,214	$ 57,390	$ 60,572	$ 63,933	$ 66,582	$ 72,524	$ 78,360	$ 84,945	$ 99,185
Business-type activities:										
Water	11,567	13,112	14,441	15,838	17,308	17,431	18,394	19,714	21,169	21,020
Sewer	4,216	5,246	6,112	4,913	5,730	6,120	6,915	6,935	7,984	8,834
Law enforcement center	8,018	8,373	8,712	9,836	10,070	10,357	10,882	11,886	11,510	7,479
Drainage	870	863	752	1,103	1,371	1,150	1,155	1,210	1,341	1,381
Total business-type activities expenses	24,671	27,594	30,017	31,690	34,479	35,058	37,346	39,745	42,004	38,714
Total primary government expenses	$ 78,868	$ 82,808	$ 87,407	$ 92,262	$ 98,412	$ 101,640	$ 109,870	$ 118,105	$ 126,949	$ 137,899
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 3,659	$ 4,263	$ 4,627	$ 4,993	$ 4,712	$ 5,104	$ 5,681	$ 5,485	$ 6,553	$ 7,130
Public safety	1,747	2,325	2,394	2,789	3,278	3,606	3,325	3,547	3,408	3,528
Public works	708	1,061	1,610	2,216	4,369	3,216	3,051	2,792	4,403	2,805
Culture and recreation	844	779	1,188	1,552	1,935	2,318	2,030	1,938	2,675	2,954
Operating grants and contributions	613	365	442	187	348	557	767	744	538	365
Capital grants and contributions	771	1,125	539	245	11,962	13,380	8,236	3,358	12,139	9,191
Total governmental activities program revenues	8,342	9,918	10,800	11,982	26,604	28,181	23,090	17,864	29,716	25,973
Business-type activities:										
Charges for services:										
Water	14,821	18,144	17,437	19,577	18,365	20,287	22,178	23,611	27,275	25,052
Sewer	6,288	8,250	8,220	8,601	9,267	9,790	10,864	11,533	12,581	12,806
Law enforcement center	6,483	6,697	8,025	9,322	10,114	9,577	10,422	11,450	12,915	7,114
Drainage	1,203	1,352	2,079	1,302	1,310	1,310	2,289	2,494	2,557	2,632
Operating grants and contributions	-	-	-	505	273	452	-	-	-	-
Capital grants and contributions	417	549	239	532	1,701	2,221	4,161	1,648	3,900	3,968
Total business-type activities program revenues	29,212	34,992	36,000	39,839	41,030	43,637	49,914	50,736	59,228	51,572
Total primary government program revenues	$ 37,554	$ 44,910	$ 46,800	$ 51,821	$ 67,634	$ 71,818	$ 73,004	$ 68,600	$ 88,944	$ 77,545

Net (expense) revenue:										
Governmental activities	$ (45,855)	$ (45,296)	$ (46,590)	$ (48,590)	$ (37,329)	$ (38,401)	$ (49,434)	$ (60,496)	$ (55,229)	$ (73,212)
Business-type activities	4,541	7,398	5,983	8,149	6,551	8,579	12,568	10,990	17,224	12,858
Total primary government net expense	$ (41,314)	$ (37,898)	$ (40,607)	$ (40,441)	$ (30,778)	$ (29,822)	$ (36,866)	$ (49,506)	$ (38,005)	$ (60,354)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 30,366	$ 30,514	$ 30,823	$ 31,389	$ 33,244	$ 35,307	$ 38,341	$ 41,638	$ 46,358	$ 51,393
Sales taxes	10,718	10,894	11,699	12,196	13,593	14,564	15,492	16,200	17,397	18,724
Franchise taxes	3,158	3,514	3,537	3,477	3,659	3,821	3,782	3,640	3,722	4,093
Mixed drink taxes	118	120	101	107	160	174	179	189	200	278
Hotel/motel taxes	290	419	508	551	651	717	754	755	746	725
Unrestricted investment earnings	2	4	16	32	24	27	114	230	600	1,119
Gas royalty income	379	1,249	541	788	722	24	9	238	179	157
Gain on sale of capital assets	-	34	36	250	17	(8)	1,659	(68)	17	52
Transfers	(259)	(558)	354	(226)	810	919	723	1,560	1,590	759
Total governmental activities	$ 44,772	$ 46,190	$ 47,615	$ 48,564	$ 52,880	$ 55,545	$ 61,053	$ 64,382	$ 70,809	$ 77,300
Business-type activities:										
Property taxes	568	571	571	473	-	-	-	63	-	-
Unrestricted investment earnings	7	4	24	43	22	17	80	171	386	643
Gain (loss) on sale of capital assets	-	-	-	(953)	-	-	-	-	(14)	-
Transfers	259	495	(354)	226	(810)	(919)	(723)	(1,322)	(1,590)	(759)
Total business-type activities	834	1,070	241	(211)	(788)	(902)	(643)	(1,088)	(1,218)	(116)
Total primary government	$ 45,606	$ 47,260	$ 47,856	$ 48,353	$ 52,092	$ 54,643	$ 60,410	$ 63,294	$ 69,591	$ 77,184
Change in Net Position:										
Governmental activities	$ (1,083)	$ 894	$ 1,025	$ (26)	$ 15,551	$ 17,144	$ 11,619	$ 3,886	$ 15,580	$ 4,088
Business-type activities	5,375	8,468	6,224	7,938	5,763	7,677	11,925	9,902	16,006	12,742
Total primary government	$ 4,292	$ 9,362	$ 7,249	$ 7,912	$ 21,314	$ 24,821	$ 23,544	$ 13,788	$ 31,586	$ 16,830

City of Mansfield, Texas
Governmental Activities Tax Revenue By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Mixed Drink Tax	Hotel/Motel Tax	Total
2010	30,366	10,718	3,158	118	290	44,650
2011	30,514	10,894	3,514	120	419	45,461
2012	30,823	11,699	3,537	101	508	46,668
2013	31,389	12,196	3,477	107	551	47,720
2014	33,244	13,593	3,659	160	651	51,307
2015	35,307	14,564	3,821	174	717	54,583
2016	38,341	15,492	3,782	179	754	58,548
2017	41,700	16,200	3,640	189	755	62,484
2018	46,358	17,397	3,722	200	746	68,423
2019	51,393	18,724	4,093	278	725	75,213

City of Mansfield, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2009	2010*	2011	2012	2013	2014	2015	2016	2018	2019
General fund:										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ 10	$ -	$ -	$ -
Nonspendable	6	5	34	10	-	-	-	-	-	-
Assigned	-	-	650	-	-	-	-	-	-	201
Unassigned	7,977	9,027	9,887	10,594	11,657	12,020	13,067	14,476	17,029	17,208
Total general fund	$ 7,983	$ 9,032	$ 10,571	$ 10,604	$ 11,657	$ 12,020	$ 13,077	$ 14,476	$ 17,029	$ 17,409
All other governmental funds:										
Nonspendable	$ 61	$ 61	$ 61	$ 61	$ 61	$ 61	$ 61	$ -	$ -	$ -
Restricted	15,789	16,789	16,838	15,176	28,068	32,473	28,663	30,914	36,244	37,961
Committed	2,891	3,224	3,273	2,691	3,219	3,709	9,996	4,086	4,240	3,257
Assigned	110	124	43	51	160	165	170	181	192	97
Unassigned	-	-	-	-	-	-	-	-	(369)	(337)
Total all other governmental funds	$ 18,851	$ 20,198	$ 20,215	$ 17,979	$ 31,508	$ 36,408	$ 38,890	$ 35,181	$ 40,307	$ 40,978

* City implemented GASB Statement No. 54 in Fiscal Year 2010

City of Mansfield, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2018	2019
Revenues										
Taxes	$ 44,650	$ 45,343	$ 46,546	$ 47,696	$ 51,372	$ 54,495	$ 58,351	$ 62,484	$ 68,403	$ 75,127
Licenses and permits	1,750	2,830	2,264	1,982	1,988	2,037	2,188	1,975	2,489	2,411
Intergovernmental	350	220	387	131	302	348	688	648	414	1,792
Charges for services	3,075	3,165	3,723	4,594	4,769	5,058	5,178	5,772	8,189	7,357
Fines	1,261	1,561	1,746	2,645	2,305	2,552	2,106	1,973	1,872	1,880
Interest	2	4	16	32	24	27	113	230	600	1,119
Contributions and donations	777	57	54	56	6,546	209	79	44	114	110
Impact fees	971	1,509	1,267	1,777	1,935	2,291	2,164	2,495	3,285	2,950
Miscellaneous	422	327	1,365	1,299	3,728	2,294	2,420	1,487	1,165	1,105
Total revenues	$ 53,258	$ 55,016	$ 57,368	$ 60,212	$ 72,969	$ 69,311	$ 73,287	$ 77,108	$ 86,531	$ 93,851
Expenditures										
General government	5,504	5,519	5,991	7,507	10,461	11,627	11,413	12,976	16,815	17,090
Public safety	19,370	20,513	21,836	23,279	25,417	27,020	29,351	30,605	32,478	36,438
Public works	4,858	4,724	5,161	4,868	3,388	3,603	4,066	4,244	3,941	7,744
Culture and recreation	6,303	6,206	6,941	6,295	6,660	6,375	7,441	8,109	7,959	9,240
Capital outlay	9,552	6,141	10,138	13,738	18,037	21,075	38,211	39,520	24,872	18,604
Debt Service:										
Principal	6,930	7,200	7,950	7,875	8,680	8,255	15,055	9,855	10,645	11,210
Interest	5,474	5,057	4,581	4,362	4,348	4,553	6,996	6,121	6,476	7,064
Fiscal charges	14	16	600	176	154	708	17	20	13	26
Bond issuance cost	2	288	415	246	256	299	744	440	386	183
Total expenditures	58,007	55,664	63,613	68,346	77,401	83,515	113,294	111,890	103,585	107,599
Excess of revenues over (under) expenditures	(4,749)	(648)	(6,245)	(8,134)	(4,432)	(14,204)	(40,007)	(34,782)	(17,054)	(13,748)

Transfers-in	925	1,223	777	2,289	876	1,943	5,390	3,196	3,654	4,495
Transfers-out	(1,185)	(1,781)	(423)	(2,515)	(65)	(1,024)	(4,667)	(1,636)	(2,064)	(3,736)
Sale of city property	-	34	37	314	54	89	2,130	55	24	112
Operating Lease	-	373	-	-	-	-	-	-	-	-
Refunding bonds issued	-	9,730	10,850	7,080	6,710	11,700	17,305	-	-	-
Bonds issued	-	3,090	6,490	5,335	17,755	15,870	36,760	30,230	22,070	13,750
Premium on bonds issued	-	185	367	932	450	3,997	4,987	697	1,187	178
Discounts on bonds issued	-	(58)	(112)	(84)	(156)	(169)	(338)	(71)	(138)	-
Payment to refunded bond escrow agent	-	(9,749)	(10,185)	(7,420)	(6,610)	(12,940)	(18,025)	-	-	-
Total other financing sources (uses)	(260)	3,047	7,801	5,931	19,014	19,466	43,542	32,471	24,733	14,799
Net change in fund balances	$ (5,009)	$ 2,399	$ 1,556	$ (2,203)	$ 14,582	$ 5,262	$ 3,535	$ (2,311)	$ 7,679	$ 1,051
Debt service as a percentage of non-capital expenditures	25.6%	24.8%	23.4%	22.4%	21.9%	20.5%	29.4%	22.1%	21.8%	20.5%

City of Mansfield, Texas
General Governmental Tax Revenue By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/Motel Tax	Mixed Drink	Total
2010	30,365	10,718	3,159	290	118	44,650
2011	30,514	10,894	3,515	300	120	45,343
2012	30,700	11,700	3,537	508	101	46,546
2013	31,365	12,196	3,477	551	107	47,696
2014	33,309	13,593	3,659	160	651	51,372
2015	35,219	14,564	3,821	717	174	54,495
2016	38,144	15,492	3,782	754	179	58,351
2017	41,700	16,200	3,640	755	189	62,484
2018	46,338	17,397	3,722	746	200	68,403
2019	51,307	18,724	4,093	725	278	75,127

City of Mansfield, Texas

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year Ended September 30	Estimated Market Value		Less:	Total Taxable	Total Direct
	Real Property	Personal Property	Tax-Exempt Property	Assessed Value	Tax Rate
2010	4,096,767,192	502,804,565	489,765,181	4,109,806,576	0.71
2011	3,922,110,419	500,107,757	395,212,412	4,027,005,764	0.71
2012	4,366,636,631	510,514,153	480,454,086	4,396,696,698	0.71
2013	4,404,361,995	640,695,688	555,442,336	4,489,615,347	0.71
2014	4,512,982,547	632,347,276	494,913,889	4,650,415,934	0.71
2015	4,766,391,748	733,418,283	542,289,028	4,957,521,003	0.71
2016	4,978,279,317	722,052,786	413,405,008	5,286,927,095	0.71
2017	5,386,325,190	940,503,204	413,190,727	5,913,637,667	0.71
2018	5,985,329,622	1,033,151,952	430,183,043	6,588,298,531	0.71
2019	6,698,937,733	1,130,303,494	798,656,803	7,030,584,424	0.71

Source: Tarrant Appraisal District, Johnson Appriasal District, and Ellis County Appraisal District

City of Mansfield, Texas
Property Tax Rates
Direct and Overlapping[1] Governments
Last Ten Fiscal Years

	City of Mansfield, Texas			Overlapping Rates							
				Counties[1]			School District				Total
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts	Direct and Overlapping Rates
2009	0.444	0.266	0.710	0.841	0.112	0.953	1.040	0.456	1.496	0.386	3.545
2010	0.457	0.253	0.710	0.843	0.109	0.952	1.040	0.456	1.496	0.397	3.555
2011	0.454	0.256	0.710	0.816	0.161	0.977	1.040	0.500	1.540	0.397	3.624
2012	0.451	0.259	0.710	0.914	0.101	1.015	1.040	0.500	1.540	0.397	3.662
2013	0.463	0.248	0.710	0.937	0.112	1.049	1.040	0.487	1.527	0.397	3.683
2014	0.471	0.239	0.710	0.943	0.107	1.049	1.040	0.487	1.527	0.377	3.664
2015	0.468	0.242	0.710	0.945	0.107	1.052	1.040	0.470	1.510	0.397	3.669
2016	0.471	0.239	0.710	1.028	0.835	1.863	1.040	0.470	1.510	0.392	4.475
2018	0.474	0.236	0.710	0.960	0.086	1.046	1.040	0.500	1.540	0.384	3.680
2019	0.485	0.225	0.710	0.933	0.082	1.015	1.040	0.500	1.540	0.380	3.645

[1] Overlapping rates are those of local and county governments that apply to property owners within the City of Mansfield, Texas. Not all overlapping rates apply to all City of Mansfield, Texas property owners (e.g., the rates for the special districts and counties apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district and county. The City of Mansfield, Texas is located within three separate counties, Tarrant, Johnson, and Ellis.)

Source:
Tarrant County Apprasial District
Ellis County Apprasial District
Johnson County Appraisal District

City of Mansfield, Texas
Principal Property Taxpayers
As of September 30, 2019
(amounts expressed in thousands)

	2019			2010		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Mouser Electronics	$ 141,808,022	1	1.84%			
Mid-America Apartments LP	67,160,000	2	0.87%			
Mansfield KDC II & III LP Etal	58,854,268	3	0.76%	38,874,946	1	0.95%
WMCI Dallas VIII LLC	48,945,096	4	0.64%			
Evolv AL LP	48,250,000	5	0.63%			
WP Motg-Txmf Owner LLC	46,950,000	6	0.61%			
Klein Tools	43,777,055	7	0.57%			
Steadfast Villagio LP	41,700,000	8	0.54%			
BREIT Steadfast MF Mansfield TX LP	40,600,000	9	0.53%	28,545,641	2	0.70%
CHP Watercrest at Mansfield	38,000,000	10	0.49%			
Wal-Mart Stores Inc.				25,716,432	3	0.63%
Broadstone at Lowe's Farm LLC				24,278,762	4	0.59%
LTF Real Estate Company				23,626,118	5	0.58%
Falls at Towne Crossing				21,918,000	6	0.53%
Apartment Reit Towne Crossing				16,450,000	7	0.40%
XTO Energy Inc				16,238,740	8	0.40%
Mansfield Seq 287 @ Debbie LTD				16,062,765	9	0.39%
Inland Western Mansfield LP				14,406,580	10	0.35%
Total	$ 576,044,441		7.48%	$ 226,117,984		5.52%

Source: Tarrant Appraisal District / Johnson Appraisal District

City of Mansfield, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections for Prior Years [1]	Total Collections to Date	Accumulated Deliquent Taxes	
		Amount	Percentage of Levy		Amount		Percentage of Levy
2010	30,541	30,159	98.75%	332	30,491	50	99.8%
2011	30,380	30,093	99.06%	246	30,339	41	99.9%
2012	31,049	30,709	98.90%	296	31,005	44	99.9%
2013	31,578	31,353	99.29%	186	31,539	39	99.9%
2014	32,910	32,698	99.36%	166	32,864	46	99.9%
2015	34,735	34,642	99.73%	55	34,697	38	99.9%
2016	37,715	37,348	99.03%	287	37,635	80	99.8%
2017	42,579	41,412	97.26%	1,096	42,508	71	99.8%
2018	46,020	45,713	99.33%	214	45,927	93	99.8%
2019	48,715	48,320	99.19%	-	48,320	395	99.2%

(1) - Information was not available from Tarrant Appraisal District for collections in subsequent years. Thus, the amount shown is actual delinquent property taxes collected during the fiscal year.

City of Mansfield, Texas

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amount)

	Governmental Activities		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Water/Sewer Revenue Bonds	Drainage Utility Revenue Bonds	Certificate Obligation Bonds	Total Primary Government	Percentage of Personal Income[1]	Per Capita
2010	96,195	13,890	54,090	5,910	2,960	173,045	9.96%	2,936
2011	93,210	12,965	56,840	5,615	2,535	171,165	10.03%	2,955
2012	93,200	12,180	56,405	5,465	2,090	169,340	10.00%	2,945
2013	91,070	11,430	52,705	5,105	1,625	161,935	9.67%	2,848
2014	101,030	10,645	48,885	4,735	1,135	166,430	9.94%	2,928
2015[2]	119,774	9,784	45,874	4,377	1,467	181,276	9.88%	2,912
2016[2]	129,788	25,098	51,339	3,985	1,581	211,791	10.63%	3,132
2017[2]	136,095	33,170	46,155	3,970	630	220,020	10.86%	3,199
2018[2]	142,892	37,250	42,127	3,175	537	225,981	10.93%	3,220
2019[2]	144,417	37,735	37,970	487	2,752	223,361	8.22%	3,043

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] See the schedule of demographic and economic statistics on page 130 for personal income and population data.

[2] Amount represents total outstanding debt net of premiums, discounts and adjustments

City of Mansfield, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2010	96,195	1,207	94,988	2.47%	1,611
2011	93,210	902	92,308	2.31%	1,566
2012	93,200	669	92,531	2.29%	1,609
2013	91,070	596	90,474	2.10%	1,574
2014	101,030	856	100,174	2.06%	1,742
2015[1]	119,774	726	119,048	2.28%	1,913
2016[1]	129,788	483	129,305	2.24%	2,044
2017[1]	136,095	623	135,472	2.16%	2,142
2018[1]	142,892	1,289	141,603	2.37%	2,239
2019[1]	144,417	1,698	142,719	2.00%	1,944

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[1] Amount represents total outstanding debt net of premiums, discounts and adjustments

City of Mansfield, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2019
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Mansfield Independent School District	$928,545,000	44.49%	$413,109,671
Midlothian Independent School District	355,236,373	0.32%	1,136,756
Johnson County	24,205,000	3.29%	796,345
Ellis County	40,425,000	0.08%	32,340
Tarrant County	266,375,000	3.65%	9,722,688
Tarrant County Hospital District	17,735,000	3.65%	647,328
Subtotal, overlapping debt			425,445,126
City of Mansfield, Texas direct debt			182,151,911
Total direct and overlapping debt			$607,597,037

Sources:
FSC Disclosure Services (Division of Hilltop Securities)

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Mansfield, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

City of Mansfield, Texas
Legal Debt Margin Information
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Annual Debt Limit	$ 61,647,099	$ 60,405,087	$ 65,950,450	$ 67,344,230	$ 69,756,239	$ 74,362,815	$ 79,303,906	$ 88,704,565	$ 98,824,478	$ 105,458,766
Total net debt payment applicable to limit	12,971,729	12,825,195	13,101,663	12,957,138	13,604,515	12,115,455	12,597,832	13,876,442	14,695,211	15,185,666
Legal debt margin	$ 48,675,370	$ 47,579,892	$ 52,848,787	$ 54,387,092	$ 56,151,724	$ 62,247,360	$ 66,706,074	$ 74,828,123	$ 84,129,267	$ 90,273,100
Total net debt applicable to the limit as a percentage of debt limit	21.04%	21.23%	19.87%	19.24%	19.50%	16.29%	15.89%	15.64%	14.87%	14.40%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Value	$	7,030,584,424
Debt limit ($1.50 of assessed value)		105,458,766
Annual Debt Payments applicable to limit:		
General obligation bonds		15,185,666
Annual legal debt margin	$	90,273,100

The City Charter of the City of Mansfield, Texas and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population limits the ad valorem tax rate to $2.50 per $100 of assessed valuation. The Attorney General of the State of Texas has further defined the debt limit of applicable cities to be a $1.50 per $100 of assessed valuation.

City of Mansfield, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

	Water and Sewer Revenue Bonds						Drainage Revenue Bonds					
Fiscal Year	Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2010	21,158,866	11,543,411	9,615,455	2,845,000	2,680,830	1.74	1,202,606	491,966	710,640	285,000	264,753	1.29
2011	26,398,502	12,445,314	13,953,188	3,600,000	2,711,369	2.21	1,354,035	484,436	869,599	295,000	254,890	1.58
2012	25,681,367	14,034,447	11,646,920	3,600,000	2,705,582	1.85	1,260,527	503,105	757,422	385,000	138,398	1.45
2013	28,220,877	14,288,287	13,932,590	3,700,000	2,611,729	2.21	1,807,772	797,607	1,010,165	360,000	165,670	1.92
2014	27,654,657	16,744,588	10,910,069	3,820,000	2,493,316	1.73	1,582,812	1,084,682	498,130	370,000	156,670	0.95
2015	30,093,927	17,096,059	12,997,868	4,095,000	2,183,331	2.07	1,761,901	863,088	898,813	375,000	147,370	1.72
2016	33,041,557	19,041,197	14,000,360	4,380,000	1,701,278	2.30	2,288,699	864,112	1,424,587	390,000	137,970	2.70
2017	35,144,144	20,050,464	15,093,680	4,020,000	2,039,234	2.49	2,494,146	922,507	1,571,639	400,000	128,170	2.98
2018	40,227,029	22,850,439	17,376,590	4,000,000	1,881,592	2.95	2,571,292	1,054,341	1,516,951	405,000	141,221	2.78
2019	38,477,901	23,563,181	14,914,720	3,875,000	1,711,534	2.67	2,655,137	1,083,807	1,571,330	420,000	107,770	2.98

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.
Charges and other include investment earnings. Operating expenses do not include interest or depreciation.

City of Mansfield, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population[1]	Personal Income (amounts expressed in thousands)	Per Capita Personal Income[2]	Median Age[2]	School Enrollment[3]	Unemployment Rate[4]
2010	56,368	1,492,534	26,478	31.80	31,226	7.1
2011	56,850	1,505,296	26,478	31.80	32,638	6.5
2012	57,494	1,704,065	29,639	32.06	32,577	6.0
2013	60,374	1,784,305	29,554	32.30	32,732	4.9
2014	62,377	1,990,893	31,917	32.30	32,778	5.1
2015	64,688	2,064,653	31,917	32.30	33,394	5.1
2016	67,628	2,158,489	31,917	35.50	33,809	4.0
2017	68,784	2,456,809	35,718	35.20	33,809	4.5
2018	70,170	2,751,977	39,219	35.20	35,256	3.9
2019	73,410	2,717,953	37,024	35.13	35,256	3.2

[1]Estimated Population - City's Planning Department - The City has revised its population estimates for the previous three years

[2]Mansfield Economic Development Corporation

[3]Mansfield Independent School District

[4]Texas Workforce Commission

City of Mansfield, Texas
Principal Employers
Current Year and Ten Years Ago

	2019			2010		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mansfield Independent School District	4,512	1	12.18%	2,900	1	12.40%
Mouser Electronics	2,100	2	5.67%	572	4	2.45%
Methodist Mansfield Medical Center	1,240	3	3.35%	600	3	2.57%
City of Mansfield, Texas	527	4	1.42%	505	5	2.16%
Klein Tools	460	5	1.24%			0.00%
Hoffman Cabinets	448	6	1.21%			0.00%
Walmart	400	7	1.08%	700	2	2.99%
Kroger	320	8	0.86%			0.00%
BCB Transport	268	9	0.72%			0.00%
SJ Louis Construction	265	10	0.72%			0.00%
Simeus Food International				203	9	0.87%
Solvay Engineered Polymers				204	8	0.87%
Super Target				250	6	1.07%
Kinred Hospital Mansfield				201	10	0.86%
Trinity Forge				250	7	1.07%
	10,540		28.45%	6,385		27.31%

City of Mansfield, Texas

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
General Government	30	30	31	31	31	31	30	30	33	31
Public Safety:										
Police	114	113	115	121	126	129	132	134	141	145
Fire	81	81	83	83	83	83	83	86	89	95
Public Works	56	58	57	57	56	55	58	58	57	56
Culture and Recreation	56	56	55	55	63	65	65	68	68	71
Water and Sewer	52	52	52	52	51	51	51	53	54	54
Law Enforcement Center	113	114	109	109	111	111	111	111	105	70
Drainage Utility	3	3	3	3	3	3	3	4	5	5
Total	505	507	505	511	524	528	533	544	552	527

Source: City Budget Office

City of Mansfield, Texas
Operating Indicators by Function
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
Police:										
Physical arrests	3,050	3,050	2,236	1,646	2,171	2,641	2,107	2,700	1,900	2,248
Accidents	825	837	837	909	861	820	936	1,210	1,635	2,640
Traffic violations	7,638	9,579	10,537	10,571	9,926	8,500	9,086	8,019	8,105	10,756
Fire:										
Number of calls answered	7,103	7,084	7,110	7,911	8,704	8,625	9,538	9,643	9,900	10,786
Inspections	1,998	2,305	2,850	2,008	2,850	3,125	3,100	2,917	3,062	3,376
Public Works:										
Street resurfacing (miles)	2.1	2.0	2.2	2.2	2.2	2.2	2.0	4.0	5.0	5.0
Asphalt overlays (square feet)	42,971	42,971	42,971	42,971	42,971	42,980	42,000	44,805	44,805	44,805
Culture and recreation:										
Sports association participants	9,086	7,235	7,445	7,235	7,770	7,950	7,950	7,950	7,400	7,400
MAC rentals	660	660	660	540	600	700	650	650	650	650
Water:										
New connections	300	255	343	419	333	465	485	484	588	448
Water main breaks	39	76	61	66	48	48	40	55	44	43
Average daily consumption (thousands of gallons)	8,987	11,793	11,944	10,667	9,278	9,657	9,994	9,994	9,994	10,881
Sewer:										
Average daily sewage treatment (thousands of gallons)	5,717	5,167	5,984	5,450	5,156	5,964	4,818	5,898	5,898	5,898
Public Safety:										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	55	52	44	42	42	43	43	44	48	54
Fire stations	4	4	4	4	4	4	4	4	4	4

Public Works:										
Streets miles maintained	245	243	242	242	248	248	410	450	455	630
Miles of water and sewer lines	559	534	553	554	538	577	632	585	575	632
Calls for service	3,885	5,710	4,700	4,700	4,820	4,105	4,500	4,550	4,550	4,550
Culture and recreation:										
Parks acreage	738	760	738	738	830	830	858	883	892	910
Parks	12	13	13	13	14	15	16	16	17	17
Tennis courts	1	1	1	1	1	1	1	5	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	296	287	292	296	292	310	325	330	341	341
Fire hydrants*	2,207	2,207	2,207	2,207	2,207	1,250	2,439	2,460	2,460	2,460
Maximum daily capacity (thousands of gallons)	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000
Sewer:										
Sanitary sewer mains (miles)	296	257	261	261	264	267	307	314	314	291
Sewer lines repairs	43	23	23	64	26	25	25	17	23	21
Maximum daily treatment capacity (thousands of gallons)	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Law Enforcement Center: @										
Average Daily Inmate Population	225	213	192	242	410	365	378	400	390	240
Average Daily Meals Served	675	639	576	726	1,230	1,095	1,134	1,200	1,200	720
Drainage Utility: #										
Vegetation Control (acres)	-	-	56	56	56	56	114	114	114	114
Ditch & Channel Maintenance (miles)	-	-	11	13	13	13	13	2	2	2
Box Culverts Cleaned (feet)	-	-	10,072	10,072	10,072	10,500	10,500	40,715	55,000	60,000

Source: City Budget Office

(-) indicates that the information was not available.

*Updated 2008 GIS system.

@ - Implemented Fiscal Year 2010

- Implemented Fiscal Year 2012

MANSFIELD
TEXAS